

**COMPREHENSIVE AFFORDABLE HOUSING PLAN
TOWN OF BEDFORD**

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TABLE OF CONTENTS

I.	Executive Summary	1
II.	Introduction	19
	A. Purpose of the Plan	19
	B. Definition of Affordable Housing	21
	C. Brief History of Affordable Housing in Bedford	22
	D. Housing Objectives	25
III.	Research and Outreach	26
	A. Housing Characteristics and Needs	27
	B. Market Conditions	37
	C. Existing Housing Programs, Developments and Services	42
	D. Existing Privately Managed Housing Developments That Include Affordable Housing	48
	E. Proposed Housing Developments	50
	F. Regulations and Permitting	55
	G. Property Inventory	59
IV.	Action Plans -- Introduction	65
V.	Two-Year Action Plan	74
	A. Regulatory Strategies	74
	B. Development Strategies	88
VI.	Five-Year Action Plan	94
	A. Regulatory Strategies	94
	B. Development Strategies	96
VII.	Longer-Term Action Plan	100
	A. Regulatory Strategies	100
	B. Development Strategies	101
VIII.	Attachments	
	1. Contact List	108
	2. Proposed Affordable Housing Sites for Consideration in the 1986 Housing Plan	109
	3. Summary of Buildout Analysis – Developable Lands and Partial Constraints	110
	4. Draft Industrial Mixed-Use Zoning Amendment	111
	5. Bedford Housing Organization	112
	6. Conservation Commission Areas and Areas of	

	Interest	113
7.	Bedford Zoning Bylaw – Dimension and Use Regulations	114
8.	Summary of Proposed Housing for the Community Preservation Plan	115
9.	Maximum Affordable Mortgages and Sales Prices	116
9.	Descriptions of Housing Financing Programs for Affordable Housing	117
11.	Maps of Priority Affordable Housing Sites	118
12.	Illustrative Development Costs – Homeownership/XYZ Affordable Housing Development	119
13.	Illustrative Development Costs – Rental/ABC Affordable Housing Development	120

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I. EXECUTIVE SUMMARY

A. Introduction

The town of Bedford is located 15 miles to the northwest of Boston bounded on the north by Carlisle and Billerica, on the east by Burlington and Lexington, on the south by Lincoln, and on the west by Concord. The town is almost 14 square miles in size. Unlike many suburban communities, the town of Bedford almost doubles in size during the day as up to 24,000 persons work at the various commercial, industrial and institutional facilities in town giving Bedford one of the highest jobs to homes ratios in the state – 5:1. While this ratio is invigorating to the town’s tax base, it also contributes to one of the most pressing problems – traffic congestion. Those activities that exacerbate this problem, including new housing construction, are viewed by many as only contributing to a worsening problem. However, a strong sentiment also exists to preserve the small town character of Bedford including its diversity. As market prices soar and mansions replace small homes, many residents agree that strategies need to be identified and put in place to provide more affordable housing to meet the needs of households encompassing a wide range of incomes, insuring that they can afford to live in town, enjoying the many benefits of this special community.

In a growing context of outside pressures to create new housing through the comprehensive permit process, many town residents resent the fact that they are in a position of reacting to development proposals as opposed to being proactive in establishing their own housing agenda. There is a strong belief that local control over affordable housing will more appropriately meet housing needs and maintain Bedford’s small town character. This Comprehensive Affordable Housing Plan begins to articulate a future course for affordable housing development for town-sponsored initiatives.

B. Purpose of the Plan

On June 18, 2001, the Town of Bedford issued a Request for Proposals (RFP) to secure professional services to prepare a Comprehensive Affordable Housing Plan to provide a framework for producing affordable housing in Bedford. The purpose of this Plan was to conduct research and outreach to better understand the challenges and opportunities for developing affordable housing in Bedford and to prepare detailed action plans on how the town can promote the acquisition, development and preservation of affordable housing throughout the community to meet local needs.

At present, Bedford has 4.5% of its housing stock classified as “affordable” by the State based on 210 units in the following projects:

- Bedford Meadows – 10 units

- Old Billerica Road – 4 units
- Railroad Avenue – 8 units
- Bedford Village – 96 units
- Ashby Place – 80 units
- Elm Street – 12 units

This Comprehensive Affordable Housing Plan suggests opportunities to meet pressing local housing needs that extend beyond those met by the above developments. Due to the rising costs of housing, many residents are finding it difficult to afford to remain in Bedford. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families in Bedford. Long-term residents, especially the elderly, are finding themselves less able to maintain their large homes but unable to find alternative housing that better meets their current life styles. Families are finding it more difficult to “buy up”, purchasing larger homes as their families grow. Families connected to Hanscom Air Base, town employees and employees of other local businesses are increasingly hard pressed to find housing that is affordable in Bedford.

If a municipality has less than 10% of its year-round housing set-aside for low- and moderate-income residents according to a State standard, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.¹ Bedford is no stranger to this issue and is currently handling three 40B applications involving the proposed construction of 417 new housing units, 25% of them to be made affordable.

Based on recent census information, Bedford now has 4,708 housing units, of which 4,621 are occupied. To meet the 10% standard, 462 units of housing would have to be “affordable” based on the state’s definition, however the Town would like to see at least a 1.10 coverage or a total of 509 units, as described in its Community Preservation Program prepared by the Town as part of the requirements for receiving funding under the Community Preservation Act (see Section III.C.4. for more information on the Community Preservation Act and Section IV. 4. on the Community Preservation Program). With the current affordable housing inventory of 210 units, at least 252 more affordable units will have to be produced in Bedford to meet the 10% standard. Assuming the approval of two of the comprehensive permit applications – the Village at Concord Road and Avalon at Great Meadow – an additional 153 units can be counted towards meeting the state standard, leaving approximately 100 units to fill the gap. An additional 60-unit SRO (Single Room Occupancy) development on the Veteran’s Administration property will likely fill part of the remaining gap as well. The

¹ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Community Preservation Program projects 609 total subsidized units by 2011 based on the current inventory, current and projected 40B permits, and projected affordable units produced with Community Preservation Funds. These figures represent an increase of 65% in the town's affordable housing inventory over the next decade.

The development of the Comprehensive Affordable Housing Plan is divided into two major phases. The first phase focuses on the review and assessment of documentation and research already completed as well as the collection of new information to identify local housing needs, to determine what resources are available to meet these needs and to obtain a comprehensive understanding of the remaining gaps in housing services and programs. This information was collected through the following sources:

- Information on the history of housing development in Bedford;
- Housing data, studies, reports and plans;
- Relevant bylaws, permitting and regulatory procedures;
- Housing market conditions;
- Current housing programs and services;
- Inventories of Town-owned and privately owned vacant land and buildings that might be appropriate for housing development;
- Housing efforts in other communities;
- Input from government officials, community leaders, real estate and development professionals, state and federal agency representatives, and representatives from other municipalities (a list of these contacts is included in Attachment 1).

The second major phase provides specifics on how to preserve and create new affordable housing opportunities in Bedford. Guided by the context established in phase one, Two-Year, Five-Year and Longer-Term Action Plans are presented, each including the rationale for the strategy, the timetable for implementation, and the estimated costs involved. These strategies will provide a blueprint to enable the Town Board of Selectmen, Housing Partnership, Housing Trust, Housing Authority and other key committees to chart a course for the future with respect to meeting the 10% State affordable housing standard and pressing local housing needs.

C. Housing Objectives

From the information obtained in the first phase of developing this Comprehensive Affordable Housing Plan – research and outreach – a number of clear objectives were articulated through the concerns expressed by local leaders and from the housing needs documented by housing data, plans and surveys. The following objectives represent the building blocks on which the Two-Year, Five-Year and Longer-Term Action Plans were developed:

- **To meet local housing needs along the full range of incomes, promoting diversity and the stability of individuals and families living in Bedford.** It can be argued that diversity in a community contributes to local health and vitality, that differences enrich us all. Many of the local leaders interviewed through this project spoke eloquently about the advantages of maintaining what

diversity still exists in Bedford and the need to stimulate greater heterogeneity related to economic, age, religious, racial and ethnic differences. Certainly the preservation and production of affordable housing is a proven method for promoting diversity, allowing those individuals and families with more limited means to afford to live in town, particularly when the housing market is becoming increasingly oriented to the affluent. Solutions need to be found to enable children who grew up in town to return to raise their own families here, to offer town employees the opportunity to live in the community in which they work, to insure that Metco families have the option of moving to where their children are being educated, to provide housing alternatives to elderly residents who have spent much of their lives in town but now require alternatives to their large single-family homes, and to offer families the flexibility of moving to larger homes as their families grow.

- **To leverage other public and private resources to the greatest extent possible.** Because Bedford is a small town that does not receive federal funding for affordable housing on an entitlement basis and because it does not have large pockets of poverty that make it a target for state funding, the town needs to be creative in how it can leverage both public and private resources to make affordable housing development possible. State agencies recognize the importance of suburban localities doing their fair share in housing lower income households and want to be supportive of affordable housing initiatives, nevertheless, the town needs to be strategic in how it invests its limited resources towards the production of new housing opportunities.
- **To insure that new housing creation is harmonious with the existing community.** New affordable housing development should be harmonious with the existing community, becoming an amenity that blends well within the architectural context of Bedford. Therefore, developments to the greatest extent possible should incorporate a number of characteristics – mixed-income, covering a wide range of income needs; low to medium density, scattered-site, eliminating huge impacts in any one part of the community; and should be well designed to make maximum use of any natural attributes of development sites.
- **To surpass the 10% State standard for affordable housing.** There is currently a 252-unit gap between the State's affordable housing standard (10% of the year-round housing stock that has been subsidized by the federal or state government to benefit those earning up to 80% of median income) and the affordable stock currently in place in Bedford. Assuming that the new Chapter 40B comprehensive permit projects provide another 153 units in affordable housing, the town of Bedford will have to produce at least another 100 units during the next several years to meet its fair share of affordable housing. Population growth of at least 1.5% annually over the next decade will create the need for more affordable units as well. A new 60-unit SRO project for homeless veterans is likely to also help fill this gap. This is an ultimately feasible undertaking for the

town to embark upon and significant progress has been made to set things in motion and accomplish this mission during the next ten years.

D. Summary of Research and Outreach

In addition to data collection and analysis – including the review of all major plans, studies, programs and development projects related to housing in Bedford – this planning project incorporated a sizable effort of reaching out to local leadership, relevant businesses, and community institutions to further provide the context within which the Affordable Housing Plan is based. Some of the major findings and conclusions regarding the range of housing needs that evolved from this research and outreach are illustrated by the following statistics:

- Over the past decade there were 646 new owner-occupied housing units created with a loss of 113 rental units. The increase in the owner-occupied stock is due to the proliferation of small, high-end market, single-family subdivisions and condominium development, whereas the loss in rental units is most likely because of condominium conversion activity.
- In 1990 median family income was \$57,561. Today it is \$70,000, an increase of almost 22%. However, incomes have not kept pace with housing prices as the median house price increased beyond 75%, from \$228,100 in 1990 to more than \$400,000 today. A household earning the current median income of \$70,000 can afford a home costing approximately \$250,000, at the lowest end of available single-family homes. One would need an income of more than \$115,000 to afford the median sales price in Bedford today.
- In order to afford a rental unit at the lowest range of \$1,000 per month, a household would have to be earning \$3,000 per month or \$36,000 annually, therefore a minimum wage worker would have to work 120 hours per week, requiring two working members of the household and double shifts.
- Smaller homes on decent sized lots are being acquired and torn-down, to be replaced by very large new residences priced well beyond the means of most residents.
- Those families who purchased starter homes are finding it difficult to “buy up” – purchasing larger homes for their growing families – due to the widening gaps between the smaller, older housing stock and the newer, larger homes in pricey subdivisions.
- One-third of the area’s senior citizens have incomes of less than \$20,000 versus 3% for younger households.
- Most of Bedford’s elders live in single-family homes that are among the older properties in the town, many with deferred maintenance needs.
- Ashby Place, an 80-unit senior housing project managed by the Bedford Housing Authority, is the only affordable housing project set-aside for seniors in town.
- Many of the area’s older residents are experiencing great difficulty living on their fixed incomes, finding it increasingly challenging to pay their basic living expenses, including the costs of food, taxes and utilities.
- The frail elderly are encountering problems remaining independent and cannot find reasonably priced assisted living options in town – facing a move to facilities

in Billerica or Burlington, for example. The more expensive Carleton Willard Village on Old Billerica Road is unaffordable to most local seniors and waiting lists are for more than two-years.

- There are 3,000 Bedford residents (2,400 living in the community outside of the VA and Carleton-Willard facilities) over the age of 60, and the Council on Aging received 550 requests for services related to housing last year alone.
- The average municipal employee cannot afford to purchase a home in Bedford.

The outreach phase of the project was also instructive in providing input into development goals and objectives that should be guiding principles in selecting project sites, determining the type of development, and identifying priorities including:

- Target development projects to Town-owned properties to take advantage of parcels that will have discounted or nominal acquisition costs.
- Target development projects to those areas of town most accessible to transportation, goods and services to minimize further traffic congestion.
- Make sure that development projects are designed to be harmonious to the surrounding community and recognize that there is no replacement for good design.
- Avoid targeting development projects to areas that are ecologically sensitive and will degrade nearby conservation land.
- Insure that development projects complement existing historic districts.
- With projects of less than 8 units, make sure that all units, to the greatest extent possible, are affordable to those earning no more than 80% of median income.
- Try to create small mixed-income communities for rental projects of 8 or more units in any one location.
- Look for affordable housing opportunities that will minimize impacts on the built or natural environment such as the refinancing of existing housing or the creation of accessory apartments.
- Develop a number of low density, scattered site project alternatives in recognition of a range of housing needs in town including rental and homeownership options as well as housing for seniors and families.
- Look to areas of town that could accommodate higher housing densities such as industrial and commercial areas or primarily nonresidential areas.
- Seek opportunities to combine amenities with housing creation such as locating recreational, institutional and retail opportunities in close proximity to new housing when appropriate.
- Look for opportunities to obtain land or other resources for free or at below market values.

There are pockets of opportunity in Bedford to create affordable housing that comply with the criteria listed above. These options are described in this Plan according to three different timeframes including a Two-Year Plan, Five-Year Plan and Longer-Term Plan. These projects also, for the most part, are in accordance with key components of the Town's Community Preservation Program, a requirement for the distribution of the Community Preservation Fund. Also, there are a number of compelling reasons that the

town of Bedford must demonstrate actual production of affordable housing including growing affordable housing needs, Chapter 40B requirements (to be in a proactive position of steering new development instead of reacting to outside proposals that override local zoning), Executive Order 418 Housing Certification requirements (to remain competitive for state funding such as transportation, infrastructure, environmental, and housing resources), Community Preservation Funding (to insure local housing needs secure a fair share of this new funding). Essential components for implementing these strategies involve the capture of necessary private and public resources particularly for gap financing, predevelopment funding, and professional capacity.

It is important to emphasize that while this Plan suggests that the Town initially focus its efforts on the Two-Year Plan, the Town should not postpone work on longer-term sites, especially planning and feasibility analyses, since there is typically a long lead time on larger projects. Without significant planning and feasibility analyses it is unclear that the sites included in the Five-Year and Longer-Term Action Plans will be developed within the projected timeframes or even in connection with the Town-sponsored affordable housing program. Unit projections are best guesses based on very incomplete site condition information, and the proposed financing is illustrative of the range of project types that will be developed in recognition of wide-ranging affordable housing needs. It is important for the Housing Trust to pursue alternative sites; therefore, each Action Plan also lists other potential development opportunities for serious consideration. While this Affordable Housing Plan includes privately owned sites, specific information on the owners and locations are purposefully withheld to maintain the privacy of existing owners to the greatest extent possible.

E. Summary of Two-Year Action Plan

1. Regulatory Strategies

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to improve decision-making and more strategically invest both public and private resources in housing creation. To most effectively and efficiently execute the development strategies included in this Plan, reliable information will be required to steer the course, greater flexibility will be needed in the Town's Zoning Bylaw, and new resources will be needed to as expeditiously as possible secure control over important development properties and move them forward to completion.

- *Join HOME Program Consortium*

Purpose: To secure public subsidies through the HOME Program to help fund affordable housing development. Most affordable housing development projects in Bedford will require multiple sources of public subsidies due to the substantial gap between the costs of development and what low- and moderate-income residents can afford. HOME funds represent a resource that can contribute to the feasibility of many projects.

Timeframe: The earliest that the town of Bedford can receive HOME Program funding is by July 1, 2003. On February 5, 2001, the Board of

Selectmen voted to pursue inclusion in the Newton HOME Consortium and a letter to Newton's Department of Housing and Community Development was sent expressing this interest. The Town of Bedford will also have to send a formal letter of interest and accompanying formal resolution approving the Town joining the Newton HOME consortium, directly to the Mayor of Newton. The letter should be submitted as soon as possible but no later than early January of 2002. The Consortium Council will have to approve Bedford's participation in the consortium by its February meeting to notify HUD by March 1, 2002, the required deadline for adding new communities. This strategy is contingent upon Bedford having a land bridge to another community that is part of the existing Newton Consortium. The Town of Bedford has been in discussion with the Town of Lincoln about also joining the Consortium to provide this necessary geographic link.

Estimated Costs: If Bedford was awarded \$100,000 in HOME funding, it could count on about \$7,000 of that amount to be used for program administration with another \$3,000 earmarked to help cover Newton's costs of managing the consortium. To coordinate the application process, community participation and planning components, a part-time staff person or consultant should be hired by the Town.

- *Undertake a Comprehensive Review and Revise the Zoning Bylaw to Promote Affordable Housing*

Purpose: To undertake a comprehensive review of the Zoning Bylaw and explore changes that would help promote affordable housing.

Timeframe: The Bedford Housing Partnership, Bedford Housing Trust, Fair Housing Committee, Community Preservation Committee and Bedford Housing Authority should work closely with Town planning staff and Town officials over the next one to two years to make useful changes.

Estimated Costs: The costs associated with staff time and likely consultant fees.

- *Continue to Capitalize the Housing Trust*

Purpose: To secure working capital and subsidy funds for the acquisition and development of affordable housing in order to adequately respond to market opportunities as they arise. The development strategies included in this Plan and those described in the Community Preservation Program will also require seed funding to support predevelopment expenditures.

Timeframe: Discussions followed by a wide range of resource development activities regarding strategies to raise both private and public resources for affordable housing activities need to remain a priority until adequate funds are secured.

Estimated Costs: Costs to the Town of Bedford depend on the types and scale of development projects. However, in order to adequately subsidize affordable housing development, some level of Town resources will likely be required as a local match.

- *Promote the Creation of Accessory Apartments*

Purpose: To encourage the development of accessory apartments by providing information to town residents regarding their benefits and regulatory requirements, exploring means of increasing the creation of these units such as technical and financial assistance if warranted.

Timeframe: The Housing Partnership should designate, within the next year, a committee to work with the Council on Aging and other Town officials on an educational campaign to promote the creation of accessory apartments, including the evaluation as to what, if any, constraints may exist to their development and how these obstacles could be best addressed through technical and financial assistance to residents.

Estimated Costs: Volunteers will conduct most of the work, however, some Town staff time is likely in organizing educational outreach on the issue and producing and distributing information/materials. If the Housing Partnership committee determines that some level of financial assistance is required to meet important housing needs, the committee will develop recommendations for presentation to the Housing Partnership and then to the Board of Selectmen. These recommendations may involve some financial incentives that would likely require Town resources.

- *Participate in the State's Soft Second Loan Program*

Purpose: To provide those first-time homebuyers in Bedford with the affordable mortgage financing option of the state's Soft Second Loan Program.

Timeframe: During the next year a committee of the Housing Partnership or Housing Trust should be designated to insure Bedford's participation in the Soft Second Loan Program. The committee should hold discussions with Cambridge Savings Bank and other lenders concerning their interest in processing mortgages in connection with the state's Soft Second Loan Program and apply to the state at the earliest convenient funding round.

Estimated Costs: This program does not involve any significant outlay of local funds as most of the administrative work in connection with the Program is coordinated by the Massachusetts Housing Partnership Fund and participating banks. The state application is very straightforward and easy to prepare, however, some Town staff participation in this application process is likely.

2. *Development Strategies*

Those projects included in the Two-Year Action Plan include efforts that are already in the planning stage. Housing development takes time and the process of bringing a project to construction typically takes more than a year, often several years when multiple layers of subsidies are required, when site control issues become problematic, and when multiple regulatory approvals are necessary. Therefore, the projects included in the Two-Year Action Plan are those that can be under construction by the fall of 2003.

- *Village at Springs Brook (Property 1 in Property Inventory – see Section III.G.) – Mixed-income Rental Project (Massachusetts Housing Partnership Fund’s Permanent Plus Program with private financing and Community Preservation Funds)*

The Housing Partnership has been working with the Veterans Administration on a 1.2-acre site that currently includes a parking lot and fields. With MHP technical assistance funding the Housing Partnership has hired a consultant to prepare a business plan that will describe the development of housing on this site, referred to as the Village at Springs Brook. Of the ten rental units under consideration for this development, at least four would be financed as affordable. Current plans are to construct three separate buildings for the project. Financing for the project is expected to include a private construction loan and the Massachusetts Housing Partnership’s permanent financing through its Permanent Plus Program. The Community Preservation Fund has been identified to provide necessary gap financing in a projected amount of \$300,000.

- *Duplex Conversion Project – Affordable First-time Homeownership (Project financed through sales and multiple sources of subsidies including the Community Preservation Fund)*

The Bedford Housing Trust has been exploring the option of purchasing a two-family home, making the necessary moderate improvements and converting it to affordable condominiums with deed restrictions to insure long-term affordability. In the spring of 2000, the Housing Trust designated a Duplex Housing Task Force to coordinate the necessary arrangements to make this purchase/rehab project a reality, projecting to acquire its first house in 2002. The Task Force envisions this project not only as a means to create more affordable housing in town, but also as a way of building community around the issue of helping others.

- *Condo Buy-down Program – Affordable First-time Homeownership (Financing from sales and the Community Preservation Fund)*

Built in 1987, the Shawsheen Ridge project involved the development of 36 townhouse-style units for sale as condominiums as well as the preservation of seven acres of open space. The developer also proposed to set-aside six of these units as affordable, having this affordability managed through perpetuity through the Town of Bedford. In fact these six affordable units became the motivating force for forming the Town’s Affordable Housing Committee that shortly after evolved into the Bedford Housing Partnership. The affordability of these six units is targeted to those earning within 150% of the area’s median income. Recent sales of the market units ranged from \$229,000 to \$245,000 for the two-bedroom units and more than \$400,000 for the three-bedroom units as opposed to the affordable units that would now sell for approximately \$140,000, currently within the means of someone earning approximately \$105,000 per year. Unfortunately, at the time of this development the state had no mechanism in place to allow affordable units,

created without state or federal subsidies, to be counted as part of the 10% standard. Subsequently, the state established the Local Initiative Program that would allow units that are made affordable through internal subsidies to be counted if they are processed through a comprehensive permit and receive DHCD technical assistance.

This program involves purchasing market rate or restricted units (those units set-aside at the Shawsheen Ridge project as affordable) and selling the units to qualified families with requisite deed restrictions to protect long-term affordability and to enable the units to be included in the town's affordable housing inventory. Community Preservation Funds will be used to fund the gap between market or restricted prices and affordable sales prices. DHCD's Local Initiative Program will allow units that are made affordable to be counted.

- *Blake Block – Mixed-use Residential/Commercial Project/Rental Housing (Project to be financed privately and may be processed through a comprehensive permit as part of the Local Initiative Program)*

Planning is underway for the rebuilding of what has been referred to as the Blake Block, located on Great Road between Springs and Fletcher Roads. A plan for the redevelopment of this property was brought before Town Meeting this past March, where it was denied by a very small margin. While most Bedford residents perceive a need to improve this block, debate continues over the size and overall character of any redevelopment effort. The owners of the property, Bruce and Dotty Blake, are currently considering alternative development plans, and representatives from the Town and abutters had been meeting regularly to come to some agreement on the design and scale of the project and regulatory process. If there is no agreement between the Blakes and the Town regarding a prescribed plan that can receive Planning Board approval, the Blakes will have to wait until March of 2003, two years after the last hearing before Town Meeting, to approach Town Meeting again for approval.

More recently, the Blakes have proposed another project involving the residentially zoned 25,000 square foot parcel that they own along Springs Road behind their commercial building. The Blakes are proposing twelve to sixteen units of rental housing in one building, reminiscent of an old inn. The project would be processed through the Local Initiative Program (LIP) with an affordable component and market rate rents below typical market rents for new rental units.

- *East Village (Great Road and Lane Avenue) -- Mixed-income Rental Project (To be privately financed; project proposed to be developed through Chapter 40B comprehensive permit process through the state's Local Initiative Program.)*

Another recent project has been proposed as a potential comprehensive permit through the Local Initiative Program (LIP) involves the development of a parcel at Great Road between Lane Avenue and Loomis Street. This site, due to its proximity to transportation and other services along Great Road, has been explored as a possible affordable housing site multiple times in the past. James Barr recently purchased the property for development of a single-family home for which the parcel is zoned. However, Mr. Barr discovered that the project was infeasible for single-family development given the relatively high acquisition price. He subsequently prepared a conceptual plan for the development of six rental units on site and presented these plans before the Bedford Housing Partnership, looking for feedback and some indication of general support for the LIP proposal. The Housing Partnership gave Mr. Barr the initial go-ahead to begin pursuing the project through LIP and further suggested that Mr. Barr look into increasing the density somewhat. Based on eight new units of housing in the project, at least two of the units would have to be affordable and would be eligible for inclusion in the town's affordable housing inventory.

F. Summary of Five-Year Action Plan

1. Regulatory Strategies

Enact a Zoning Amendment to Allow Senior Residential Developments

Purpose: To promote an attractive housing alternative for a maturing population and to enable this population to remain in town. There is a demonstrated need for increased housing options for the town's seniors.

Timeframe: The zoning amendment could be drafted and passed during the next several years to enable the town to secure interest from potential developer(s) for a project to be in place by 2005.

Estimated Costs: It is likely that a senior residential community can be developed at market prices without any significant outlays of local resources. However, it would be advantageous to use internal subsidies to create some affordable units within the project and the infusion of additional public subsidies could create the potential for a further mix of incomes in such projects.

2. Development Strategies

Those development opportunities included in the Five-Year Action Plan relate to projects that meet many of the development goals and objectives listed above in Section V.B. and that can go into the planning stage within the next several years to be completed prior to the end of 2006. Unit projections are best guesses based on very incomplete site condition information, and the proposed financing is illustrative of the range of project types that will be developed in recognition of wide-ranging affordable housing needs. These projects are also summarized in the Town's Community Preservation Program and include the following:

- *190 Springs Road – Mixed-income Rental Project (To be financed through private lenders with subsidies from the Community Preservation Fund and other sources.)*

The site at 190 Springs Road is a Town-owned parcel and includes DPW storage garages. The parcel also has some drawbacks including wetlands, an unbuildable knoll, and a deed restriction requiring recreational use that would have to be reversed through a string of local, state and federal approvals. Nevertheless, because of its size, 355,000 square feet, the Town should thoroughly review the potential for new housing development. This parcel could accommodate both rental and homeownership; however, a proposed development option is the production of 15 rental units with at least 25% affordability.

- *34 Fayette Road – First-time Homeownership (To be financed through private construction loan and Soft Second Loan Program, subsidized by the Community Preservation Fund/also could be a potential building site for Habitat for Humanity.)*

This parcel is owned by the Town and is located in a neighborhood where neat, small homes predominate. A first-time homebuyer project with four affordable new homes would fit in well with the surrounding properties. The Land Evaluation Committee of the Housing Trust listed the site as somewhat promising as it is relatively small, 30,517 square feet, and is currently being used for a playground.

- *447 Concord Road – Mixed-income Rental Project (Financed through a private lender, the Community Preservation Fund and other sources of public subsidies.)*

The Town of Bedford owns this parcel, and while it presents some challenges, it represents a compelling development opportunity given its size. As part of the preparations of the 1989 Housing Authority Inventory, the Massachusetts Historic Commission was asked to inspect the site for potential Native American artifacts. This site visit was inconclusive, although the Commission indicated that it looked like some of the land had been disturbed long ago for some reason. The parcel, with 191,664 square feet, has limited access to Concord Road and slopes down from Concord Road significantly. It is also wet at the rear of the property along the railroad bed. Nevertheless, the site shows quite a significant potential for development, particularly if combined with 445 Concord Road that is currently on the market. The addition of this adjacent site not only adds land to accommodate more units, but also improves the access to Concord Road and the existing sewer line. The parcel at 445 Concord Road includes an old house. It would be useful to secure a further evaluation of the possible archeological implications of the site as soon as possible. This project could be rental or homeownership, however, one proposed alternative would be to produce 15 units of rental housing with at least 25% affordability. There have been some concerns surfaced about this

site's proximity to the AvalonBay's and Princeton Properties' proposed 40B projects suggesting issues of cumulative impact on this part of the town.

Other privately owned potential development sites that should be explored as alternatives to the sites described above include:

- *Property 2* – This property includes two contiguous sites, one with approximately 235,000 square feet and another small lot of 26,000 square feet without any development. The Housing Trust should contact the owners to indicate its interest in potentially purchasing the parcels with the intention of building housing. Depending upon the owners' response, the Trust might propose an arrangement to give the Trust the right of first refusal when the owners decide to sell.
- *Property 3*– This property includes an historic house, a large barn and open space that could potentially accommodate all three of the missions of the Community Preservation Fund to create greater opportunities for open space, historic preservation and affordable housing. Both the house and barn are deteriorating and would require substantial repairs. The property is currently on the market for more than a \$500,000 asking price that would have to be negotiated.
- *Property 4* – This long parcel has more than 500,000 square feet and involves a little farm along the railroad bed, including an occupied house. There are some wetlands. A potential development configuration would be to subdivide the property to include the house and wet area as one parcel, with the other portion of the site developed as affordable housing.

G. Summary of Longer-Term Action Plan

1. Regulatory Strategies

Protect the Long-term Affordability of Expiring Use Projects

Purpose: To monitor the status of the Bedford Village project and to intervene if necessary to maintain the long-term affordability and habitability of almost 100 units of housing.

Timeframe: Ongoing staff or volunteer time of Housing Partnership members to monitor the status of the Bedford Village project is needed to insure that the owner is not planning to prepay the mortgage and terminate the rental agreement that maintains affordability. In such a case, further Town resources as well as other sources of financing may be required to refinance the project to protect affordability and make necessary improvements. Additionally, prior to the expiration of the rental agreement in 2018, an agreement needs to be negotiated with the current owner to either sell the project to another entity, either nonprofit or for profit, which will be willing to purchase and improve the project with insurances of long-term affordability or to refinance the project and voluntarily maintain the affordable component.

Estimated Costs: Town resources, in addition to other state and federal funds, will likely be required if the current developer decides to prepay the existing mortgage or when the current rental agreement expires in 2018 to protect long-term affordability.

2. *Development Strategies*

The development opportunities included in this Longer-Term Action Plan relate to projects that meet many of the development goals and objectives listed above in Section V.B. but require more significant lead time to conduct project planning and feasibility analyses, obtain site control, attract interested and qualified developers, secure regulatory approvals and bring the project to construction. The Housing Trust should begin discussions regarding these development strategies and work with other Town officials and housing and development professionals to determine priorities and begin project planning. These projects represent development opportunities that will not be completed until at least 2011, with some beyond that. Once again, unit projections are best guesses based on very incomplete site condition information, and the proposed financing is illustrative of the range of project types that should be developed in recognition of wide-ranging affordable housing needs. Several of these projects are also summarized in the Town's Community Preservation Program.

- *15 Pine Hill Road – First-time Homeownership (To be financed through private construction loan and permanent mortgages, subsidized by the Community Preservation Fund and the Federal Home Loan Bank Board's Affordable Housing Program)*

15 Pine Hill Road, with 145,926 square feet, abuts the Town-owned property at 190 Springs Road and also may have a considerable amount of wetland. Because it is a Town-owned parcel, all efforts should be made to investigate its potential for affordable housing production. While this site could accommodate homeownership and rental, this proposal suggests 15 units of housing for first-time homebuyers, all to be affordable.

- *131 Shawsheen Road – Affordable Rental Project for Families (To be financed by a private lender, Low Income Housing Tax Credits and the Community Preservation Fund.)*

This large parcel is owned by the Town and is a former sand and gravel pit. While there have been discussions of the needs for cemetery expansion land and watershed protection, a portion of the site would be ideal for housing. This proposal projects 20 rental units, all of them to be affordable to families earning within 60% of median income.

- *Property 5 -- First-time Homeownership (To be financed through a private construction loan and permanent mortgages, subsidized by the Community Preservation Fund and the Federal Home Loan Bank Board's Affordable Housing Program)*

This parcel of more than 130,000 square feet backs directly onto Elm Brook and does include considerable wetlands as well as an existing house. It is estimated that the site could accommodate up to 13 housing units depending upon the actual amount of wetland. This proposal involves housing for first-time homebuyers with 100% of the units affordable to households earning within 80% of area median income and all countable as part of the town's affordable housing inventory.

- *Depot Park – Mixed-use Residential/Commercial Village with Mixed-income Housing (To be financed with a wide range of private and public resources related to housing, commercial development, economic development, and transportation and infrastructure resources)*

Redevelopment along the town's commercial arteries and in commercial districts to include significant new housing production bears closer scrutiny. For example, a significant opportunity for Bedford is the development of Depot Park as a mixed-use revitalization area, combining new commercial enterprises as well as new residential opportunities to accommodate a wide range of incomes and lifestyles – from seniors who desire to live close to services; to young professionals interested in feeling more a part of a diverse village life in close proximity to amenities such as specialty stores, restaurants, perhaps a cinema or small theater, and bike paths; and to artists or other business owners who want live-work spaces that can combine work space with living quarters. This development can also grow into a significant destination place for cyclists using the town's bike paths. Such development can be accomplished through an amendment to the Zoning Bylaw that would allow residential use in this commercial district in sufficient densities to accomplish a village square vitality in support of the historic character of the area and the work that has been conducted by the Friends of Depot Park. In addition to existing Town-owned property, additional property can be acquired for the redevelopment project through private acquisition and, if necessary, eminent domain.

- *Property 6 -- Mixed-income Rental Project (Existing project to be refinanced through the Massachusetts Housing Partnership Fund's OneSource Program)*

This project involves a multi-family rental housing development, which could use upgrading and would be a natural addition to the town's affordable housing inventory. There may be some potential for refinancing the project to make necessary improvements and establish long-term affordability of the 44 units, adding the property to the town's affordable housing inventory towards meeting the state 10% standard.

- *Property 7 – Mixed-income Senior Residential Development with the possible inclusion of a mix of starter homes for young families with mixed uses including a senior center, small commercial/convenience stores and recreational space/athletic fields and open space.*

This property includes two parcels with almost 3 million square feet or more than 67 acres of flat and primarily dry land close to Hanscom Air Base. This is a very beautiful site with fields and a wooded periphery. At today's prices, it is extremely doubtful that the Town can afford to purchase the entire parcel even with the Community Preservation Fund. However, a partnership between the Town/Housing Trust and the owners or a new developer is perhaps the most feasible approach to development. The heirs of the original owner may be in a position to sell the property given that a long-term lease for use of the parcels is not being extended, thus eliminating approximately \$250,000 in annual income. The Board of Selectmen will be contacting the owners regarding their intentions for the property. The Housing Trust, Board of Selectmen, Community Preservation Committee, Conservation Commission, among others need to arrive at some agreeable development options to ultimately discuss with the owners and contact developers who have the experience and financial capacity to implement the Town's vision for the property. This is perhaps the most valuable short-term development opportunity in Bedford, and the Town should be proactive in insuring that any development meets local needs.

Other potential development sites that should be explored as alternatives to the sites described above include:

- *70 Pine Hill Road*

The Town purchased this property several years ago and placed a 15-year development restriction on it. When this restriction expires in 13 years, the Town should strongly consider conveying it for the purposes of affordable housing.

- *Property 8*

This is a 660,000 square foot property that includes some level and dry land that would be conducive to housing development.

- *Property 9* – This more than 200,000 square foot parcel is currently owned by the Middlesex Community College and was given to the college a number of years ago by the VA Hospital for shuttle parking. At this time the lot is not being used and has great potential for affordable housing development. In fact years ago the Bedford Housing Authority had conversations with Middlesex Community College concerning the potential of building special needs housing on the site with funding from the Massachusetts Department of Mental Health (DMH). When the College was building its campus, it used a site that had been planned for development as a DMH facility. Therefore when DMH was looking to the Bedford Housing Authority to build some special needs housing in town, the issue of possible College property was explored. Representatives of the Housing Trust should contact the College to ascertain the level of interest in conveying the property to the Trust, preferably at some nominal or discounted price. This would be an ideal site

for senior housing or an assisted living project given its proximity to the VA campus.

- *Redevelopment of Industrial Zones*

The redevelopment of mixed-use areas should be strongly encouraged. For example, the draft Industrial Mixed-Use zoning amendment will provide the opportunity for residential development in industrial areas to rebuild these areas into mixed retail, office and residential communities. Many of the current industrial/office buildings are aging, and executives may be considering alternative locations. Also, most of these buildings are “clean” as they have been offices as opposed to manufacturing operations that create potential environmental issues. Many of the current workers in these businesses commute significant distances, and it would be advantageous for local businesses to look into how they can house their workers in closer proximity. These industrial areas are parts of Bedford where higher density housing would be less controversial, and many residents would likely be supportive of redevelopment initiatives that include affordable housing.

- *Property 10*

It may be worth testing the receptivity of current owners of an existing condominium project regarding the possible addition of more units either as wings to the current building or as separate buildings on site in exchange for certain financial concessions that the Town or new developer may be able to grant as an incentive for further development of housing. The existing condominium is located on a site with considerable vacant acreage.

- *Other Properties*

The Housing Trust’s Land Evaluation Committee identified a number of potential sites that may have some long-term potential for affordable housing development. The Trust should at some point within the next few years contact the owners of these properties and express its interest in exploring the possible future development of affordable housing. The Trust should then keep in contact with these owners and monitor their interest periodically.

II. INTRODUCTION

The town of Bedford is located 15 miles to the northwest of Boston bounded on the north by Carlisle and Billerica, on the east by Burlington and Lexington, on the south by Lincoln, and on the west by Concord. The town is almost 14 square miles in size. Unlike many suburban communities, the town of Bedford almost doubles in size during the day as up to 24,000 persons work at the various commercial, industrial and institutional facilities in town giving Bedford one of the highest jobs to homes ratios in the state – 5:1. While this ratio is invigorating to the town’s tax base, it also contributes to one of the most pressing problems – traffic congestion. Those activities that exacerbate this problem, including new housing construction, are viewed by many as only contributing to a worsening problem. However, a strong sentiment also exists to preserve the small town character of Bedford including its diversity. As market prices soar and mansions replace small homes, many residents agree that strategies need to be identified and put in place to provide more affordable housing to meet the needs of households with a wide range of incomes, insuring that they can afford to live in town, enjoying the many benefits of this special community.

In a growing context of outside pressures to create new housing through the comprehensive permit process, many town residents resent the fact that they are in a position of reacting to development proposals as opposed to being proactive in establishing their own housing agenda. There is a strong belief that local control over affordable housing will more appropriately meet housing needs and maintain Bedford’s small town character. This Comprehensive Affordable Housing Plan begins to articulate a future course for affordable housing development for town-sponsored initiatives.

A. Purpose of the Plan

On June 18, 2001, the Town of Bedford issued a Request for Proposals (RFP) to secure professional services to prepare a Comprehensive Affordable Housing Plan to provide a framework for producing affordable housing in Bedford. The purpose of this Plan was to conduct research and outreach to better understand the challenges and opportunities for developing affordable housing in Bedford and to prepare detailed action plans on how the town can promote the acquisition, development and preservation of affordable housing throughout the community to meet local needs.

At present, Bedford has 4.5% of its housing stock classified as “affordable” by the State based on 210 units in the following projects:

- Bedford Meadows – 10 units
- Old Billerica Road – 4 units
- Railroad Avenue – 8 units
- Bedford Village – 96 units
- Ashby Place – 80 units
- Elm Street – 12 units

This Comprehensive Affordable Housing Plan suggests opportunities to meet pressing local housing needs that extend beyond those met by the above developments. Due to the rising costs of housing, many residents are finding it difficult to afford to remain in Bedford. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families in Bedford. Long-term residents, especially the elderly, are finding themselves less able to maintain their large homes but unable to find alternative housing that better meets their current life styles. Families are finding it more difficult to “buy up”, purchasing larger homes as their families grow. Families connected to Hanscom Air Base, town employees and employees of other local businesses are increasingly hard pressed to find housing that is affordable in Bedford.

If a municipality has less than 10% of its year-round housing set-aside for low- and moderate-income residents according to a State standard, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.² Bedford is no stranger to this issue and is currently handling three 40B applications involving the proposed construction of 417 new housing units, 25% of them to be made affordable.

Based on recent census information, Bedford now has 4,708 housing units, of which 4,621 are occupied. To meet the 10% standard, 462 units of housing would have to be “affordable” based on the state’s definition, however the Town would like to see at least a 1.10 coverage or a total of 509, as described in its Community Preservation Program prepared by the Town as part of the requirements for receiving funding under the Community Preservation Act (see Section III.C.4 for more information on the Community Preservation Act and Section IV. 4 on the Community Preservation Program). With the current affordable housing inventory of 210 units, at least 252 more affordable units will have to be produced in Bedford to meet just the 10% standard. Assuming the approval of two of the comprehensive permit applications – the Village at Concord Road and Avalon at Great Meadow – an additional 153 units can be counted towards meeting the state standard, leaving approximately 100 units to fill the gap. An additional 60-unit SRO (Single Room Occupancy) development on the Veteran’s Administration property will likely fill part of the remaining gap as well. The Community Preservation Program projects 609 total subsidized units by 2011 based on the current inventory, current and projected 40B permits, and projected affordable units produced with Community Preservation Funds. These figures represent an increase of 65% in the town’s affordable housing inventory over the next decade.

The development of the Comprehensive Affordable Housing Plan is divided into two major phases. The first phase focuses on the review and assessment of documentation

² Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

and research already completed as well as the collection of new information to identify local housing needs, to determine what resources are available to meet these needs and to obtain a comprehensive understanding of the remaining gaps in housing services and programs. This information was collected through the following sources:

- Information on the history of housing development in Bedford;
- Housing data, studies, reports and plans;
- Relevant bylaws, permitting and regulatory procedures;
- Housing market conditions;
- Current housing programs and services;
- Inventories of Town-owned and privately owned vacant land and buildings that might be appropriate for housing development;
- Housing efforts in other communities;
- Input from government officials, community leaders, real estate and development professionals, state and federal agency representatives, and representatives from other municipalities (a list of these contacts is included in Attachment 1).

The second major phase provides specifics on how to preserve and create new affordable housing opportunities in Bedford. Guided by the context established in phase one, Two-Year, Five-Year and Longer-Term Action Plans are presented, each including the rationale for the strategy, the timetable for implementation, and the estimated costs involved. These strategies will provide a blueprint to enable the Town Board of Selectmen, Housing Partnership, Housing Trust, Housing Authority and other key committees to chart a course for the future with respect to meeting the 10% State affordable housing standard and pressing local housing needs.

B. Definition of Affordable Housing

There are many definitions of affordable housing. For example, the federal government identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's net or adjusted income (with a small deduction per dependent, for child care, extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, property taxes and insurance) is not more than 30% of gross income. As mentioned above, the state counts a housing unit as affordable if it is subsidized by state or federal programs that support low- and moderate-income households (within 80% of median income). Moreover, the affordable housing as defined by the state's Community Preservation Act is 100% of area median income.

Affordable housing is also defined according to percentages of median income for the metropolitan area (SMSA), and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. Very low-income housing is directed to those earning less than 30% of median income (\$21,000 for a family of four) and low-income is defined as households earning less than 50% of median income (\$35,000 for a family of four) and sometimes 60% of median (\$42,000 for a four person household). Moderate-income refers to the range between 50% and 80% of median income (\$52,500 for a family of four at the 80% level), and middle-income from 80% and 110% and sometimes 120% of median income (\$77,000 and \$84,000, respectively).

Once again, units at or below 80% of median income (low- to moderate-income range) count toward the 10% affordable housing goal established by the State. These income levels are summarized in the table below:

**TARGETED INCOME LEVELS FOR
AFFORDABLE HOUSING**

# of Persons in Household	30% of Median Income	50% of Median Income	60% of Median Income	80% of Median Income
1	\$14,700	24,500	29,400	36,750
2	16,800	28,000	33,600	42,000
3	18,900	31,500	37,800	47,250
4	21,000	35,000	42,000	52,500
5	22,700	37,800	45,360	56,700
6	24,350	40,600	48,720	60,900
7	26,050	43,400	52,080	65,100
8+	27,700	46,200	55,440	69,300

In general, programs that subsidize rental units are targeted to households earning within 60% of median income, \$42,000 for a family of four. However, first-time homebuyer programs typically use the up to 80% income range. It is worth noting that a significant majority of Bedford's residents would be income-eligible for affordable housing using the 120% of median income level.

C. Brief History of Affordable Housing in Bedford

In 1729 the Town of Bedford was incorporated as its own village – before that time it was a part of a larger community that included Concord and Billerica. In these early years the area was farm country where everyone had a cow and a pasture and the more affluent had more cows and more pastureland. The area grew slowly from about 800 people in the 1700's up to 2,603 residents by 1930. Farming continued to predominate the economic base; and as the train was extended out to Bedford, farmers were able to bring their vegetables more easily to market in Boston. At the same time small manufacturing enterprises were spawning making shoes, hats and even the razor blade that was invented by Emanuel Pfeiffer in Bedford (eventually this patent was sold to Gillette). Those who came to Bedford before World War II typically acquired a piece of property and built their own home themselves. Some modest amount of housing development occurred since the 1700's, predominantly by small, undercapitalized builders who developed only several houses at a time.

During World War I, U.S. Representative Edith Nourse Rogers was the mobilizing force for bringing what would eventually become the Veterans Administration Hospital to Bedford that served for an extended period of time as the town's biggest employer. During the early 1940's the federal government held a special Town Meeting to discuss the development of an Air Base in Bedford. Despite almost unanimous opposition to the air facility by Town Meeting, the building of Hanscom Air Base proceeded as it was

difficult for Bedford to ultimately oppose the new development in the years immediately following the war.

The coming of Hanscom had an accelerating affect on the town's development with the population doubling between 1930 and 1950 to 5,234. Until this time housing development had typically focused on the major colonial transportation corridors including Great Road, North Road, Concord Road and Old Billerica Road. Recognizing a shortage of housing opportunities for military personnel at Hanscom, the federal government suggested to the town that it either begin promoting new housing construction or be faced with tax exempt government-built housing as an alternative. One of the early housing developments in response to this proposition/threat was Bedford Gardens, a duplex community built off of South Road. Subsequently, additional small pocket subdivisions of new housing were created out of former farm property throughout Bedford including Dunster Road, Roberts Drive, Davis Road, Notre Dame Road and Wildwood. This new housing was fueled by returning vets with federally subsidized mortgages looking for a place to raise their families. In addition to the VA Hospital and Hanscom Air Base, new employers established operations in Bedford such as Raytheon and Mitre requiring college-educated employees, especially engineers. Subsequent housing developments catered more to this white-collar market as opposed to the blue-collar worker of the more recent past. By 1960 the population more than doubled again to 10,969. Growth continued during the next decade, reaching 13,513 in 1970, a 23.2% increase.

During this time of significant population expansion, the town was responsive to the dynamic of the new environment and kept pace regarding the construction of required schools and other municipal infrastructure needs. In the late 1950's the Page School was built, to be closely followed by the Davis School and Lane School during the next decade. Bedford High School was also built in the late 1950's for grades seven through twelve, before that time students were sent to Concord or Lexington High Schools.

After WW II funding began to be made available to build subsidized housing for returning veterans through local housing authorities enabling the Elm Street project, with twelve duplex units in six buildings, to be developed locally in 1951. Additional state resources were made available in the late 60's and early 70's for assisted housing for seniors and the handicapped providing the Bedford Housing Authority with the opportunity to develop the Ashby Place project totaling 80 units in two phases. Subsequently, additional state resources were programmed for special needs housing and 20 Railroad Avenue, with eight units of housing staffed by the Department of Mental Health, was built in 1993. These Housing Authority projects were the first government-assisted housing units produced in Bedford, totaling 100 units. Comprehensive permit projects came early to Bedford with Bedford Village, with 96 units, built in the early 1970's soon after the passage of Chapter 40B legislation.

Bedford throughout its history had generally been characterized as a moderate-income village. However, during the last decade the housing that has been built has been more upscale in response to increasing pressures on the housing market brought on by a

stronger economic climate. During this last ten years the newer subdivisions have been directed to the professional purchaser often creating significant gaps between the earlier capes and ranches to the neo-mansions of newer subdivisions such as Sweeney Ridge and Page Hill, now costing well over \$1 million. Several condominium developments have been developed as well – Page School, Shawsheen Ridge, Huckins Farm and Mitchell Grant -- largely for upscale young professionals and empty nesters with prices ranging from \$250,000 to almost \$700,000. Those who bought entry level housing a number of years ago are now confronting increasing difficulties in “buying-up” in Bedford because of the gap between the costs of older housing and the upscale nature of the newer homes in Bedford. Housing for seniors has also followed these market trends with the acquisition of the Llewysac Lodge, a home for older women, for the development of the Carleton-Willard project, an extremely pricey retirement facility. Additionally, the town is now encountering more incidences of “tear downs” – the demolition of older and smaller homes replaced by the now more heavily demanded, large, single-family houses. The development of another Chapter 40B project through the Local Initiative Program, Bedford Meadows, in 1995 now seems modest by comparison.

The explosion of housing values, intermixed with punishing traffic conditions, have jeopardized the local diversity and the small town character of the town, of great concern to local residents and community leadership. This Affordable Housing Plan represents an opportunity to define how Bedford can stimulate diversity and provide new havens for those who are currently priced out of the existing housing market. The recommendations included in this Plan are in response to a wide range of housing needs and issues confronting the community that call out for some local response including:

- Over the past decade there were 646 new owner-occupied housing units created with a loss of 113 rental units. The increase in the owner-occupied stock is due to the proliferation of small, high-end market, single-family subdivisions and condominium development, whereas the loss in rental units is most likely because of condominium conversion activity.
- In 1990 median family income was \$57,561, however, today it is \$70,000, an increase of almost 22%. However, incomes have not kept pace with housing prices as the median house price increased beyond 75%, from \$228,100 in 1990 to more than \$400,000 today. A household earning the current median income of \$70,000 can afford a home costing approximately \$250,000, at the lowest end of available single-family homes. One would need an income of more than \$115,000 to afford the median sales price in Bedford today.
- In order to afford a rental unit at the lowest range of \$1,000 per month, a household would have to be earning \$3,000 per month or \$36,000 annually, therefore a minimum wage worker would have to work 120 hours per week, requiring two working members of the household and double shifts.
- Smaller homes on decent sized lots are being acquired and torn-down, to be replaced by very large new residences priced well beyond the means of most residents.
- Those families who purchased starter homes are finding it difficult to “buy up” – purchasing larger homes for their growing families – due to the widening gaps

between the smaller, older housing stock and the newer, larger homes in pricey subdivisions.

- One-third of the area's senior citizens have incomes of less than \$20,000 versus 3% for younger households.
- Most of Bedford's elders live in single-family homes that are among the older properties in the town, many with deferred maintenance needs.
- Ashby Place, an 80-unit senior housing project managed by the Bedford Housing Authority, is the only affordable housing project set-aside for seniors in town.
- Many of the area's older residents are experiencing difficulties living on their fixed incomes, finding it more a challenge to pay their basic living expenses, including the costs of food, taxes and utilities.
- The frail elderly are encountering problems remaining independent and cannot find reasonably priced assisted living options in town – facing a move to facilities in Billerica or Burlington, for example. The more expensive Carleton Willard Village on Old Billerica Road is unaffordable to most local seniors and waiting lists are for more than two-years.
- There are 3,000 Bedford residents (2,400 living in the community outside of the VA and Carleton-Willard facilities) over the age of 60, and the Council on Aging received 550 requests for services related to housing last year alone.

D. Housing Objectives

From the information obtained in the first phase of developing this Comprehensive Affordable Housing Plan – research and outreach – a number of clear objectives were articulated through the concerns expressed by local leaders and from the housing needs documented by housing data, plans and surveys. The following objectives represent the building blocks on which the Two-Year, Five-Year and Longer-Term Action Plans were developed:

- **To meet local housing needs along the full range of incomes, promoting diversity and the stability of individuals and families living in Bedford.** It can be argued that diversity in a community contributes to local health and vitality, that differences enrich us all. Many of the local leaders interviewed through this project spoke eloquently about the advantages of maintaining what diversity still exists in Bedford and the need to stimulate greater heterogeneity related to economic, age, religious, racial and ethnic differences. Certainly the preservation and production of affordable housing is a proven method for promoting diversity, allowing those individuals and families with more limited means to afford to live in town, particularly when the housing market is becoming increasingly oriented to the affluent. Solutions need to be found to enable children who grew up in town to return to raise their own families here, to offer town employees the opportunity to live in the community in which they work, to insure that Metco families have the option of moving to where their children are being educated, to provide housing alternatives to elderly residents who have spent much of their lives in town but now require alternatives to their oversized single-family homes, and to offer families the flexibility of moving to larger homes as their families grow. The town should strive to create new environments

to allow current residents to remain in Bedford despite changing housing needs, but also to offer citizens with a wider range of interests and lifestyles additional housing options such as mixed-use housing, senior residential developments, supportive housing alternatives, live-work spaces, artists lofts, etc. – all feasible within the context of the small town.

- **To leverage other public and private resources to the greatest extent possible.**

Because Bedford is a small town that does not receive federal funding for affordable housing on an entitlement basis and because it does not have large pockets of poverty that make it a target for state funding, the town needs to be creative in how it can leverage both public and private resources to make affordable housing development possible. State agencies recognize the importance of suburban localities doing their fair share in housing lower income households and want to be supportive of affordable housing initiatives, nevertheless, the town needs to be strategic in how it invests its limited resources towards the production of new housing opportunities.

- **To insure that new housing creation is harmonious with the existing community.** New affordable housing development should be harmonious with the existing community, becoming an amenity that blends well within the architectural context of Bedford. Therefore, developments to the greatest extent possible should incorporate a number of characteristics – mixed-income, covering a wide range of income needs; low to medium density, scattered-site, eliminating huge impacts in any one part of the community; and should be well designed to make maximum use of any natural attributes of development sites.

- **To surpass the 10% State standard for affordable housing.** There is currently a 252-unit gap between the State's affordable housing standard (10% of the year-round housing stock that has been subsidized by the federal or state government to benefit those earning up to 80% of median income) and the affordable stock currently in place in Bedford. Assuming that the new Chapter 40B comprehensive permit projects provide another 153 units in affordable housing, the town of Bedford will have to produce at least another 100 units during the number of years to meet its fair share of affordable housing. Population growth of at least 1.5% annually over the next decade will create the need for more affordable units as well. A new 60-unit SRO project for homeless veterans is likely to also help fill this gap. This is an ultimately feasible undertaking for the town to embark upon and significant progress has been made to set things in motion and accomplish this mission during the next ten years.

III. RESEARCH AND OUTREACH

This first phase of the Comprehensive Affordable Housing Plan involves documenting and evaluating a wide range of information related to housing in Bedford. This includes data on housing characteristics, such as numbers and types of housing, as well as housing

needs for particular populations such as the elderly, families, disabled and lower income households. It also includes an analysis of housing market conditions for homeownership, rentals and mixed-use properties. This initial phase also summarizes all existing housing programs, policies, services, affordable projects as well as proposed housing development. Relevant information on regulations and permitting related to housing development is also highlighted in this part of the Plan. Finally, there is an inventory and analysis of properties that might potentially be appropriate for affordable housing production, prioritized along a number of criteria.

A. Housing Characteristics and Needs

1. Census Data

The 2000 Census from the U.S. Bureau of the Census counts Bedford's total population as 12,595. Approximately one-quarter, or 23.6% of the population (2,972) is school age – under the age of 18 – and another 23.6% (2,969) is over the age of 60, the remaining half of the population between 18 and 60 years. Of the 4,621 households living in Bedford, 35.4% included individuals under 18 years and 29% of the households included someone 65 years or older.

More than 90% of Bedford's population is White, a total of 11,486 persons, with 5.4% of Asian descent and 1.7% Black. The census indicates that 1.8% were Hispanic or Latino, of any race.

The census also counted 4,708 total housing units, 98.2% that are occupied (4,621 units) with an overall vacancy rate of 1.8%, 0.3% for owner-occupied housing and 2.6% for rental units. Of the occupied units, 80.2% are owner-occupied with less than 1,000 rental units in town, 916 units specifically. The average household size of the owner-occupied units was 2.75 persons whereas it was 1.98 for renter-occupied units.

The Census Bureau has not yet released important data on income and the more detailed housing information for 2000. This data is not expected until 2002. At this point 1990 data is dated and unreliable. There are 1997 estimates available from a third party data source – Applied Geographic Solutions – putting the 1997 household income at \$76,372 and the per capita income at \$33,424, and the 2001 median income figure for the Boston area is \$70,000.

The problem with the 1990 census data is further exacerbated by the confusion surrounding the counting of the housing units at Hanscom Air Base included in Block 906 E, which was counted in 1990 as part of the Bedford numbers despite the fact that the housing is actually physically located in the town of Lincoln. The 2000 census figures have corrected this problem by taking the housing units out of the Bedford count. However, the 1990 and 2000 data are not easily reconcilable. The Bedford Comprehensive Plan corrected this problem with the 1990 data for the existing housing supply and the results are as follows:

Housing Supply – 1990 to 2000

	1990		1990 Corrected		2000	
	# of Units	% of Units	# of Units	% of Units	# of Units	% of Units
Occupied Units	4,479	97.3	4,088	97.1	4,621	98.1
Owner-Occupied	3,195	71.3	3,059	74.8	3,705	80.2
Renter-Occupied	1,284	28.7	1,029	25.2	916	19.8
Total Vacant	123	2.7	120	2.9	87	1.8
Owner Vacancy Rate		1.3				0.3
Rental Vacancy Rate		2.3				3.0
Total Units	4,602	100.0	4,208	100.0	4,708	100.0

This corrected data indicates a significant increase in the overall number of housing units built over the past decade – 500 units or a 12% increase. This increase is higher than the 5% increase experienced for the metropolitan area as a whole and was limited to the owner-occupied housing stock with 646 new units created and a loss of 113 rental units. The increase in the owner-occupied stock is due to the proliferation of small, high-end market single-family subdivisions and condominium development, whereas the loss in rental units is most likely because of condominium conversion activity.

2. *The Comprehensive Plan*

The Town of Bedford has been preparing a Comprehensive Plan for the past several years focusing on a range of activities including land use and growth management, traffic and transportation, public facilities and services (including schools), recreational facilities and services, open space and natural resources, economic development, and housing. The Town hired Kenneth M. Kreutziger to undertake this project.

The Plan begins with a vision statement – “The Town of Bedford envisions its small-town character enhanced over the next twenty years as it moves into the twenty-first century. This character is distinguished by both the historically significant architectural resources and the beauty of the Center of Town.” The statement continues with specific visions for the town including one for housing – “Housing choices for different types of units are available and affordable for all”. Goals are also articulated under each activity and for housing the following goal and policies are proposed:

Goal:

“Encourage a diversity of housing options providing for a multi-generational population of families with a wide range of income levels.”

Policies:

- “Protect and preserve the design character and scale of existing older neighborhoods;
- Encourage a range of affordable housing options in small clusters throughout the town targeting toward also providing housing for young couples and retired families;
- Encourage development of affordable housing by working with non-profit developers using the LIP (Local Initiative Program);
- Explore Town purchase of property for affordable housing;
- Explore regulatory options for encouraging, supporting and requiring affordable housing;
- Address affordable housing as defined by the State; and
- Maintain a reasonable residential tax rate.”

The Plan provides some very useful housing data related to residential uses based on the Town Assessors information as presented below:

Summary of Residential Uses, 1998

Type	Units	Households
Single-family	3,187	3,187
Condominium	316	316
Two-family	279	558
Three-family	8	24
Multiple Houses*	16	33
Apartment Houses	2	140
Boarding House	1	22
Mobile Homes (HAFB)	216	216
Subsidized Housing**	100	100
Military Housing off Pine Hill Road	16	16
Total	4,141	4,612

* A lot with more than one single-family house.

** Housing managed by the Bedford Housing Authority

Given that the census identifies 4,708 total housing units in 2000 with 4,621 of them occupied, the above count represents an undercount of the number of units.

The Plan also contains an analysis of population growth over the past decade from information from the Bedford Town Clerk. This information is presented below.

Population Change, 1991-2000*

Year	Population	Change	%
1991	11,310	-	-
1992	11,520	210	1.9
1993	11,440	-80	-0.7
1994	11,626	186	1.6
1995	11,745	119	1.0
1996	11,961	216	1.8
1997	12,157	196	1.6
1998	12,401	244	2.0
1999	12,696	295	2.3
2000	12,595	-101	-0.8

* 2000 census figure added to analysis.

The above table does demonstrate a fairly consistent population increase with only minor losses in 1993 and this past year.

The Comprehensive Plan also includes a Build-out Analysis for industrial and commercial uses as well as residential uses. The residential analysis is based on an estimate of the total area currently vacant or underutilized for housing including all vacant residentially zoned lots and all residentially zoned parcels larger than 200,000 square feet (4.6 acres). The analysis assumes that any parcel of significant size with only one single residential unit can be further subdivided. It also attempted to eliminate existing wetlands from prospective development. The prototypical minimum lot size was 50,000 square feet, with an additional 20% added to allow for roads, lot configurations and topographic conditions, therefore assuming that a single new house would require 60,000 square feet. The following information was derived from this analysis:

Summary of Residential Development Potential

	Land Area	Lot Yield
Developable Lots > 200,000 SF	35,672,771	273
Developable Lots < 200,000 SF	6,567,039	120
Subtotal	42,239,810	393
Other Large Parcels		
Harvard	3,428,172	39
VA Hospital	7,799,853	116
Middlesex Community College	7,716,653	107
Hanscom Field	36,429,228	592
Subtotal	55,373,906	854
TOTAL	97,613,716	1,247

The above analysis includes a number of large parcels that are unlikely to be made available for development in the foreseeable future, and it also projects a

low density that is unlikely to be feasible for affordable housing development. However, the Build-out Analysis does indicate the possibility of significant future development in Bedford.

The Plan's chapter on housing includes 1990 census information on the age of the housing stock included below.

Year of Construction		
Year	Number	Percent
1989-March 1990	66	1.4
1980-1988	701	15.2
1970-1979	616	13.4
1960-1969	983	21.4
1950-1959	1,368	29.7
1940-1949	313	6.8
1939 or earlier	555	12.1
Total	4,602	100.0

This analysis includes the Air Base housing that is actually located in Lincoln, but counted in the 1990 census, therefore figures are not directly reconcilable with 2000 data. Nevertheless, the above figures indicate that almost half of the town's housing was built between 1950 and 1969, the baby boom years, with almost another 30% constructed from 1970 to 1988.

The Plan also compares income data with housing values and concludes that incomes did not keep up with housing values from 1980 through 1990. For example, median family income increased from \$30,960 to \$57,561, an increase of 85.9%, however, between 1980 and 1990 the median house price increased 197.8%, from \$76,600 to \$228,100.

The Plan also looks at home sales and sales prices, information largely obtained from Banker and Tradesman.

Home Sales and Prices		
Year	# Home Sales	Median Sales Price
1990	149	\$209,000
1991	125	\$201,000
1992	188	\$217,000
1993	212	\$209,500
1994	244	\$230,000

Besides a dip in market activity and prices in 1991 in response to a recession, home prices and number of sales rose steadily during the early 90's. An updated version of this analysis is presented in Section III.B.

The Comprehensive Plan also tracked the number of building permits issued between 1990 and October 1998 including:

Building Permits for New Construction		
Year	Single-family	Multi-family
1990	14	0
1991	16	0
1992	38	0
1993	36	2
1994	91	2
1995	79	-
1996	83	-
1997	57	-
1998	17	-

This information shows that building activity was highest between 1994 and 1996.

The chapter on housing ends with a discussion on the results of the visioning process in Bedford, a summary of future housing needs, and proposals. The visioning workshop was held to define goals and objectives for the Plan and resulted in identifying a number of local concerns including the large size of the new residences – the mansionization of Bedford. Many saw the mix and affordability of housing in Bedford as positive. The Plan observes that while the total number of housing units has grown in Bedford, the number of affordable units has remained the same, the percentage decreasing as the housing stock grows. Specific proposals to address affordable housing needs include the following:

- *Active Seniors Housing Provision*
Draft zoning amendment to encourage the construction of over 55 housing.
- *Scattered Site Affordable Housing*
Town purchase of land for small affordable housing development to revolve back to be used for additional projects in the future.
- *Multiple Units of Affordable Housing*
Town purchase of a large parcel of land to be developed through Chapter 40B comprehensive permit (e.g., Ch. 61 parcel near the Gutierrez parcel).
- *Mixed Use Zoning Bylaw Provision*
Enact mixed use zoning bylaw to allow commercial/industrial/residential development in one project by special approval from the Planning Board.
- *Existing Housing as Affordable Housing*
Buy existing housing that might be targets for “teardowns” for use as affordable housing.
- *Encourage the Construction of Affordable and Market Rate Rental Housing*

Leverage funding and other forms of assistance, such as the Local Initiative Program, for the construction of affordable and market rate rental housing.

- *Encourage the Use of the Existing Accessory Apartment Bylaw*
Increase awareness and the use of the existing accessory apartment bylaw to increase the number of rental units.
- *Address “Mansionization” in Bedford*
Follow the lead of other towns by developing regulations to require a special permit for the construction of houses above prescribed square footage that involve a teardown of an existing house.

3. *The 1986 Comprehensive Plan*

The Bedford Planning Board commissioned a Housing Plan in 1985 that was completed in February 1986 by James A. Miller, A.I.C.P., and with a contribution by Norma Bogen, A.I.C.P. This Plan followed an update of the Town’s Comprehensive Plan, completed in 1985. Housing goals and objectives include the following:

- To promote safe, decent and affordable housing for all persons residing or desiring to reside in Bedford;
- To assure equal housing opportunity for all;
- To maintain the high quality of existing residential neighborhoods, with particular attention to the preservation of the historic residential areas of the town;
- To provide a wider variety of housing opportunities;
- To provide a forum or mechanism for rational community decision-making on the impact of land use decisions – residential, commercial, industrial and other uses;
- To recognize that housing is a regional issue and that Bedford is a part of the Metropolitan Boston housing market;
- To assure that Bedford Town Boards and Commissions take the lead in keeping the community informed about the nature and extent of housing issues facing the Town; and
- To promote policies which assure the implementation of Town Housing Goals, and, conversely, to discourage policies which would have a negative effect on these Goals.

While much of the data included in the Plan is dated, there are numerous recommendations regarding affordable housing development controls and incentives (e.g., inclusionary zoning, linkage mechanisms, occupancy controls, resale restrictions, right of first refusal to a municipality, deed restrictions running to a municipality), affordable housing criteria and development standards (e.g., establish a New Residence D District in the Zoning Bylaw to allow attached single-family homes or garden apartments with 10% of the units set-aside as affordable, incorporate affordable housing provision of the new Residence D District into the Planned Residential Development provisions of the Zoning

Bylaw, provide density bonuses for projects that set-aside 50% of the units for affordable housing, add attached single-family and garden apartments to Limited Business A and General Business Districts, require deed restrictions to maintain the units as affordable for 20 years), and the identification and analysis of 37 sites for affordable housing (See Attachment 2 for a list of these sites.) and development proposals for four of the sites (e.g., Otis Street/Highland Avenue, Great Road/Springs Road/Fletcher Road, Davis Road/Notre Dame Road/Laurie Lane/Karen Drive, and Concord/Selfridge Roads). The Plan also recommends the designation of a “development cabinet” to act as a clearinghouse and resource center to streamline the technical review process in connection with significant affordable housing proposals. The revision of the Bedford Fair Housing Policy is proposed and the designation of the Bedford Fair Housing Committee as the Town’s official Housing Coordinating Council.

4. *State Buildout Analysis*

On January 21, 2000 then Governor Paul Cellucci and Lieutenant Governor Jane Swift signed Executive Order 418. This measure was designed to help communities plan for new housing opportunities while balancing economic development, transportation, and open space needs through the provision of \$30,000 planning grants and a *State Buildout Analysis*. Each municipality in the Commonwealth was provided with an analysis that offers a picture of all the development that could happen in the community under current zoning codes and known environmental and other land use constraints. This information is meant to assist communities in planning for their futures, offering a starting point from which the vision for the future can emerge. This Buildout Analysis is also made available to help communities get started on the preparation of a Community Development Plan, funded through State planning grants of \$30,000, to prepare guidelines and strategies for the future development of housing, economic development, transportation and open space. Municipalities are also expected to seek annual Housing Certification in order to be eligible for a wide range of state funding programs, including housing subsidy funds from the Massachusetts Department of Housing and Community Development and other state housing agencies.

The Buildout Analysis for Bedford projects the potential development of 1,046 units on 1,011 buildable lots. These new units would increase the population by 2,626, with 439 new students. More detailed breakdowns of this Buildout Analysis are included in Attachment 3.

5. *Housing Survey*

The Housing Partnership sponsored a housing survey in 1999 that was sent through the tax bill to Bedford residents. From the 4,800 surveys sent, the Town received 1,350 returns translating into a 28% return rate. While this return rate is impressive, it is important to note that this was not a scientific survey and results can be considered representative but not reliable.

The Town also sponsored an analysis of this data prepared by Tatjana Meschede, which is titled, “We would love to stay in Bedford but the housing prices are too high.” Highlights from this analysis include the following:

- Almost $\frac{3}{4}$ of the survey respondents lived in families with two to four people.
- The average respondent had lived in Bedford for 20 years (ranging from 1 to 73 years), however, $\frac{1}{4}$ had lived in town for five years or less.
- Average yearly income was \$91,000 with half of respondents earning less than \$85,000.
- Fourteen percent of the respondents were renters.
- Close to half of the renters were living by themselves as compared to approximately one in ten for owners.
- Average annual income was about a third lower for renters, totaling \$64,846 as compared to \$95,348 for owners.
- Rents ranged from \$100 to \$6,500 per month, averaging \$1,100.
- Average monthly utility costs were \$56 for electricity and \$75 for heat.
- Owners pay an average of \$179,000 for their residences with half paying less than \$160,000.
- Current values of properties were reported as an average of \$330,000, significantly lower than recent sales values of approximately \$450,000.
- Average monthly mortgage payments were \$1,390, with 44% paying in the \$1,500 to \$2,000 range.
- Average number of years remaining on homeowners’ mortgages was 17, with half reporting 10 years or less.
- Annual property taxes were reported as \$3,800.

A summary of this data is presented in the following table:

Survey Respondent Characteristics According to Homeownership Status

	Renters (N=194)	Owners (N=1,154)
Single Households	48%	13%
Two-Person Households	27%	41%
Three-Person Households	13%	17%
Average Annual Income	\$64,846	\$95,348
Average Years in Bedford	11.5	21.3
Average Years in Current Residence	<3	20
Average Monthly Housing Costs	\$1,100	\$1,390
Average Utility Costs	\$131	

The survey further indicated that based on the affordable income rates for 1999 (80% of area median income), 1,302 respondents could afford market rates and 204 qualified for affordable housing, with insufficient data for 112 respondents. Not surprisingly, renters were twice as likely to qualify for affordable housing. Another result from the survey was that those who could afford market rate housing were twice as likely to have children.

The following table summarizes the major findings on affordability:

**Survey Respondent Characteristics According to
Housing Affordability Status**

	Qualify for Affordable Housing (N=204)	Can Afford Market Rate Housing (N=1,302)
Children under 5 years	5%	17%
Children 5-18 years	18%	30%
Seniors 60+	76%	35%
Average Years of Residence	31	17
Average Annual Income	\$25,674	\$103,774
Average Monthly Rent	\$1,098	\$1,134
Average Monthly Mortgage Payment	\$740	\$1,426
Average Annual Taxes	\$3,054	\$3,924
Average Home Value	\$247,172	\$343,818

The above table indicates that 76% of the seniors responding to the survey would qualify for affordable housing. Those residents who had lived in Bedford for a longer period of time were also more likely to qualify for affordable housing. In fact a high proportion of respondents were seniors over the age of 60. Slightly less than one third of the respondents (31%) identified themselves as seniors not living with persons of other ages.

The survey also reported information on seniors in two age categories, 60 to 80 years and those over 81, compared to non-seniors, the results presented in the table below. It is interesting that the 60 to 80 year seniors resembled the non-senior households (hh's) across most variables, however, mortgage payments for the seniors were almost half the amount of the non-seniors. There were significant departures for the 81+-age category, which were more likely to be renters or have much lower mortgage payments. The average income for the non-seniors was substantially higher than the income levels for both senior cohorts.

**Comparison of Seniors to Non-Seniors
Survey Respondent Characteristics According to Age**

	Senior hh's Only Ages 60-80 (N=355)	Senior hh's Only Ages 81+ (N=65)	Non-Senior hh's (N=928)
Average Annual Income	\$69,859	\$49,500	\$101,124
Renters	9%	48%	13%
Average Monthly Rent	\$1,150	\$1,215	\$1,074
Homeowners	91%	52%	87%
Average Monthly Mortgage	\$779	\$300	\$1,481
Average Annual Taxes	\$3,532	\$3,432	\$3,909

According to the report, the “older survey respondents expressed a great deal of anxiety about their futures in Bedford. The following comments were typical:

- We are 54 and 58 years old. It is very hard to downsize in Bedford, as there is not that much housing that is affordable. Most kids raised in Bedford cannot afford to buy later.
- We can no longer afford to live in Bedford when we retire. We hate to leave, but we have no choice.
- We would love to see affordable, lovely living arrangements for seniors developed here in Bedford.”

The report concludes with a number of additional comments from survey respondents including:

- A newer owner may leave town to pursue “dividing living between summer beach home and winter ski home”.
- Another stated, “I would like to stay in Bedford, but I cannot afford to buy a home in Bedford. I will have to look for a home elsewhere after my son graduates from Bedford High School”.
- One respondent writes, “with a desire to stay in town and a wish to own a residence in town, I will be moving in with my parent to try to save money and be able to find affordable real estate in Bedford”.
- And finally another respondent says, “It is a shame. There is no more housing available for young families with moderate incomes”.

B. Market Conditions

Housing prices have skyrocketed over the past decade throughout New England, and Bedford is no exception. According to Banker & Tradesman the median residential sale

price was \$209,000 in 1990 and the 2000 price was \$336,000, an increase of 60% over the decade. Median sales prices since 1996 are as follows:

- 1996 - \$251,000
- 1997 - \$245,000
- 1998 - \$268,000
- 1999 - \$322,000
- 2000 - \$336,000

Rentals have also increased substantially, in fact doubling, with the median rental of \$712 in 1990, whereas now the average apartment price is \$1,400. The analysis below looks at housing values from a number of sources including the Multiple Listing Service, census, observations from local realtors, Banker and Tradesman and local advertising.

1. Homeownership

In 1990 median family income was \$57,561, however, today it is at least \$70,000, an increase of almost 22%. However, incomes have not kept pace with housing prices as the median house price increased beyond 75%, from \$228,100 in 1990 to more than \$400,000 today when we look at local listings. A household earning the current median income of \$70,000 can afford a home costing approximately \$250,000, at the lowest end of available single-family homes. One would need an income of more than \$115,000 to afford the median sales price in Bedford today.

The Multiple Listing Service (MLS) as of July 18, 2001, included active listings for 32 single-family homes ranging from \$309,900 for a two-bedroom colonial on Concord Road to a \$954,000 six-bedroom contemporary house on Radcliffe Circle, with an average list price of \$527,196 and an average time on the market of 48 days. The MLS also included two expired listings that failed to sell including a \$368,000 three-bedroom cape on Sunnyfield Road and a four-bedroom colonial at Fawn Circle at \$935,000. There were 19 single-family homes under agreement ranging from a three-bedroom ranch for \$298,000 to a four-bedroom colonial at Fawn Circle with a price of \$925,000. For these homes under agreement, the average market time was a month and the average list price was \$503,926. In regard to the 48 single-family homes that have sold recently, prices included a low of \$248,000 for a two-bedroom bungalow on South Road to a four-bedroom colonial on Selfridge Road for \$785,000. The average time on the market was 37 days, the average sales price was \$430,382, and the average list price was \$430,266. In total 101 homes were included in the Multiple Listing with an average price of \$479,214.

The Multiple Listing Service for July 18th also included a number of condominium sales. In regard to active listings three, three-bedroom condos were included, ranging from \$339,500 on Page Road (the Old Page School) to \$679,900 at Huckins Farm. The average market time was 25 days and the average list price was \$559,766. Condos under agreement included a three-bedroom unit on Sweetwater Avenue (Fawn Lake) for \$379,900 and a unit at

Huckins Farm for \$649,000. The average market time for these two units was 29 days and the average list price was \$514,450. In regard to sold condos, there were eight listings, from a two-bedroom duplex unit at Bedford Gardens for \$172,500 to a \$690,000 three-bedroom unit at Huckins Farm. The average number of days on the market was 35 for these eight condos; the average sale price was \$444,162 with an average list price of \$445,687.

In regard to multi-family housing, there were only two active listings for two-family properties with sales prices of \$335,900 and \$339,500 at Bedford Gardens. Two additional two-family homes at Bedford Gardens were under agreement for \$339,900 and \$349,000.

The table below presents information on the affordability of the range of these prices by unit type.

Affordability of Existing Housing Prices³

UNIT TYPE	PRICE	INCOME REQUIRED
Single-family Homes		
Low	\$250,000	\$68,700
Average	\$430,000	\$117,900
High	\$925,000	\$260,000
Condominiums		
Low	\$172,500	\$58,600
Average	\$482,500	\$142,800
High	\$690,000	\$200,000
Two-family Homes		
Low	\$339,500	\$51,400
Average	\$341,000	\$51,600
High	\$349,000	\$53,600
Rentals		
Low	\$1,000	\$40,000
Average	\$1,400	\$56,000
High	\$2,500	\$100,000

Recent real estate transactions listed in the July 19,2001 Bedford Minuteman included five properties selling between \$249,900 on Ashby Road to \$478,500 on Temple Terrace in the Old Stagecoach area. Advertisements included a ten year old, four-bedroom colonial on a cul de sac for \$499,000, a small three-bedroom cape for \$420,000 near Fawn Lake, a three-bedroom ranch for \$448,000 on a quiet street, two other four-bedroom colonials for \$598,000 and \$675,000, and several very large colonials within the \$949,000 to \$1.4 million range. Realtors

³ Assumes a 7.0% interest rate with no points, 30-year fixed-rate mortgage; 20% down payment; real estate taxes of \$12.17 per \$1,000; insurance of \$1.25 per \$1,000 of combined valuation of dwelling (value x 0.35), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed; rent for tenant unit in the two-family house of \$1,300 (75% counted as income for underwriting or \$975); and condo maintenance of \$250 per month.

indicate that housing values are weakest for older housing built along the busiest streets. Conversely the strongest housing market areas in town include homes in the newer subdivisions on streets without much traffic. Homes in some of the newer subdivisions – such as Sweeney Ridge, the revolutionary area off of Davis Road and Page Hill – are commanding prices of upwards \$1 million. Even raised ranches are being sold for \$500,000 and these properties require improvements. The buyers of one raised ranch that sold for \$500,000 are expecting to put an additional \$100,000 into the house to update it to their tastes. Realtors pointed out that a widening gap is forming between the capes and small ranches built in the 1950's through 1970's and the homes developed over the last decade, making it difficult for families in smaller, starter homes to “buy up” as their families grow. Consequently, more families are opting to build additions to their current residences, as few homes are available in their price range. Additionally, there is an increasing occurrence of “teardowns”, with small older homes being acquired and demolished, replaced by extremely large homes – the mansionization phenomenon.

In regard to condominiums, Bedford has several developments including the more moderately priced units at Shawsheen Ridge, the old Page School, and the Mitchell Grant project in the mid \$200,000 to mid \$400,000 range. The town also has the more upscale condos at Huckins Farm. Clearly the greater seclusion, privacy and unit size of Huckins Farm easily capture the high-end condo market, with sales prices of more than \$650,000. Additional condominiums are being developed as a result of the conversion of duplexes, two-family homes or other multi-family housing. Consequently, the town has suffered a decrease in rental units that were more affordable prior to the conversion.

The number of two-family homes included in the listings did not allow for a reliable sample, however, the above table does clearly demonstrate the relative affordability of two-family properties versus the single-family and condominium housing type. The added income stream from the rental unit makes this housing type very affordable, creating rental opportunities in addition to offering homeownership. As such, two-family homes are excellent prototypes for new affordable housing development.

Banker & Tradesman also tracks housing values, and figures for 1990 through 1994 are summarized in Section III.A.2. of this Plan. More recent averages for house sales in Bedford includes the following:

- As of December 31, 2000 -- \$449,996 (for 218 single-family home sales)
- As of December 31, 1999 -- \$390,182 (for 239 single-family home sales)
- As of December 31, 1998 -- \$318,148 (for 213 single-family home sales)
- As of December 31, 1997 -- \$294,926 (for 224 single-family home sales)
- As of December 31, 1996 -- \$305,119 (for 241 single-family home sales)

These figures indicate an increase in the average price of a single-family home from 1996 to 2000 of almost 50%, from approximately \$300,000 to almost

\$450,000, a stunning increase but reflective of the skyrocketing real estate values in the region.

2. *Rentals*

In order to afford a rental unit at the lowest range of \$1,000 per month, a minimum wage worker would have to work 123 hours per week, therefore requiring two working members of the household and double shifts. The high rental represents the going rental for a single-family home and the average rental includes a recently sold three-bedroom rental in Bedford Gardens. Rental listings in the Bedford Minuteman include a recently renovated three-bedroom duplex for \$1,450, a two-bedroom apartment for \$1,395 at Bedford Gardens (a three-bedroom unit at Bedford Gardens would rent for an additional \$100 to \$150 per month), and a two-bedroom duplex for \$1,300 plus utilities. The proposed 40B projects of Avalon at Great Meadow and Princeton Properties are projecting rentals of between \$1,700 and \$2,100 per month, this rental including project amenities of a pool, fitness center, community room, etc.

While the census indicates a count of 916 rental units in Bedford, this figure includes the military trailers (216 units) and military housing off of Pine Hill Road (16 units). It also includes the Bedford Housing Authority projects (100 units), Colonial Village on Roberts Drive (44 units), one boarding house in town on North Road (22 units), homes with accessory apartments, and the apartment building behind Marshals. There is great demand for a very limited rental supply in town and any listings go fast. Local brokers typically only handle privately owned units in small, multi-family structures as the other rental opportunities typically have their own management, waiting lists and screening processes.

3. *Mixed-Use Properties*

There is a precedent in Bedford for the mix of residential and commercial space as evidenced by Walcott Appliance Store on the corner of Carlisle and North Roads. The four apartments above the store are reportedly very nice and were grandfathered in before current zoning. Another owner in the same area has also created a mixed-use scenario when the Town passed a zoning amendment to allow mixed-use development in Limited Business Districts.

There has been some renewed interest in the mix of residential and commercial uses. For example, the redevelopment of the Blake block is being viewed as an opportunity to create some affordable housing on a commercial block. The potential for developing more affordable housing in a mixed-use setting is significant in Bedford along the commercial corridors, in industrial areas and in such commercial areas as Depot Park. While this type of zoning is currently allowed in the town's Limited Business Districts, it is also being considered for the town's industrial areas through a proposed Zoning Bylaw amendment. This amendment proposes that mixed-use in industrial areas be permitted through the special permit process overseen by the Planning Board. The draft states that the amendment "is intended to create mixed commercial, residential, and open space

in areas where the visual and physical dominance of the automobile is made secondary to pedestrian needs; to encourage pedestrian activity by creating a pleasant, rich and diverse experience for pedestrians; to reduce traffic congestion and air pollution by providing opportunities for retail services, housing and employment in close proximity; and to encourage the sharing of parking lots and driveway curb cuts, minimizing the amount of paved parking surface area, and reducing traffic congestion.” Multi-family housing is allowed if at least 25% of the total number of units is affordable to households at or below 80% of area median income. This amendment is being reviewed by Town committees and may go before Town Meeting in the spring. Hopefully, it will be approved. A copy of this draft bylaw is included in Attachment 4.

C. Existing Housing Programs, Developments and Services

The town of Bedford has a number of Town Committees and local organizations that are involved in some way in the production or preservation of housing including the following:

1. The Bedford Housing Partnership (Contact: Gene Clerkin, Chairman)

The Bedford Housing Partnership includes the town’s Fair Housing Committee, Affordable Housing Committee and members at large, appointed by the Board of Selectmen, to implement affordable housing programs and encourage the growth of affordable housing in Bedford. In 1979 the Fair Housing Committee was created to address issues of fairness and equal access with respect to housing policies and practices. In 1986, an Annual Town Meeting action made six units of housing being developed as part of the Shawsheen Ridge condominium project available as affordable under the Town’s definition of 150% of area median income. In January of 1987, the Planning Board appointed an ad hoc committee to oversee the sale of these affordable units. This Committee subsequently became the Affordable Housing Committee.

In 1991 the Fair Housing Committee and Affordable Housing Committee began meeting jointly and voted to form a Housing Partnership under the state Housing Partnership Program, making Bedford eligible for a broader range of state funding programs. In 1994 the Bedford Housing Partnership began to take action on specific projects. First came the Bedford Meadows development, a 40-unit project of moderately priced houses and duplex units, ten of which were financed to be maintained as affordable over a long term. The developers of this project, CMA Architects, Inc., proposed and built the project under the state’s Local Initiative Program. The Housing Partnership was designated by the Board of Selectmen to monitor the ownership and resale of the affordable units.

2. Bedford Housing Trust (Contact: Gene Clerkin, President)

In 1994 the Housing Partnership incorporated the Bedford Housing Trust, a nonprofit organization with its own tax-exempt status, which can receive gifts of money and other property and expend funds to produce affordable housing. The corporate membership of the Housing Trust is drawn from the Housing

Partnership with non-voting membership open to anyone with an interest in affordable housing for Bedford. Meetings for both the Housing Partnership and the Housing Trust are scheduled for the third Thursday of every month at Town Hall. The Trust Fund that has been created to support affordable housing activities totaled \$50,012 as of June 29, 2001 with another \$365,000 pledged from The Gutierrez Company (as part of negotiations with the Town on the development of their commercial development on Middlesex Turnpike), of which \$25,000 was received on June 25, 2001. Another \$200,000 is being earmarked for the support of affordable housing as part of the negotiations on the AvalonBay project.

An organization chart of the Housing Partnership, Housing Trust, Fair Housing Committee and Affordable Housing Committee is included in Attachment 5.

3. *The Bedford Housing Authority (Contact: Linda Gunn, Executive Director)*

The Bedford Housing Authority was established in 1948 to initially provide housing assistance to returning veterans and their families who were experiencing difficulties finding decent, safe and affordable housing. During the last few decades the Housing Authority has built and now manages 100 units of government-assisted housing for low-income households who pay 25% to 30% of the net incomes in rent. The Housing Authority has five members of the board (one appointed by the state) as well as one full-time staff person and three part-time employees. The Authority manages the following developments:

- *Ashby Place 1 and 2*

Ashby Place was developed in two phases under the Chapter 667 Program for state-assisted elderly and handicapped housing. Both phases total 80 one-bedroom units in eleven buildings on five acres with a community building. Four of the 80 units are handicapped accessible. The initial occupancy dates for Phases I and II were June 1969 and June 1974, respectively. Rents include utilities and are based on 30% of a tenant's net income. Current income limits for these units are \$35,150 for one occupant and \$40,150 for two occupants. There is a waiting list of 30 prequalified applicants. There were 17 vacancies during the past year. Bedford residents who apply for housing in Ashby Place are rarely on the waiting list for more than one year.

The project provides a number of special services and amenities including emergency pull alarms in each bedroom and bathroom, Board of Health nurses for monthly blood pressure clinics, a community building for tenant functions, and Meals on Wheels delivered daily and twice a week to the community building. Other services include the Town van providing daily transportation to local stores and malls, a weekly delivery of baked goods from local stores free of charge to residents, a computer available to the community as well as laundry facilities and a library on site.

- *Elm Street*

The Elm Street project was built for returning veterans and their families through the State's Chapter 200 Program. The project includes six, two-story duplexes with six two-bedroom units and six, three-bedroom units. The development was initially occupied in June of 1951. Current income limits for this project include the following:

Two occupants -- \$40,150
 Three occupants -- \$45,200
 Four occupants -- \$50,200
 Five occupants -- \$54,200
 Six occupants -- \$58,250

During the last year improvements were made to update bathrooms and kitchens, and roofs will be replaced during the next few years. Tenants pay 25% of their net income on rent. The waiting list includes 66 families and is currently closed to new applicants. This past year there were four vacancies. Services and amenities include referrals to family support agencies, convenient access to downtown playgrounds and schools, the desirable local school system, and a computer available at Ashby Place for resident use.

- *20 Railroad Avenue*

This project was built through the State-assisted Chapter 689 Program for special needs populations and is staffed by the Department of Mental Health. The project has two units, each with four bedrooms to assist eight individuals. The project was initially occupied in 1993. Special services include 24-hour professional management staff, central air conditioning, location adjacent to a conservation area, and proximity within walking distance to local stores.

The Bedford Housing Authority also administers 19 project-based rental subsidies funded by the state that are directed to the affordable units at the Bedford Village development. This subsidy provides a guaranteed flow of rent to make up the difference from what income-eligible tenants can pay (based on 30% of their income) and the rent, based on state guidelines. Additionally, the Housing Authority has another three rental subsidies through the state's Massachusetts Rental Voucher Program (MRVP). All but one of these rent subsidized tenants live in Bedford Village, the other rents a duplex in town.

4. *The Bedford Community Preservation Committee (Contacts: Cathy Cordes, Chair, Steve Hanna and Gene Clerkin, Committee Members)*

The Community Preservation Committee is the Town's most recent addition to local governance, charged with the oversight of funds to be raised through Bedford's passage of the Community Preservation Fund through a public

referendum on March 10, 2001. Last September former Governor Paul Cellucci and current Acting Governor Jane Swift signed the Community Preservation Act to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute establishes the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax, to be matched by the State based on a funding commitment of approximately \$26 million annually. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established that represents various boards or committees in the community to recommend to the legislative body how to spend the Community Preservation Fund.

Bedford was the first municipality in the Commonwealth to pass this act and will be a pioneer in its implementation. Bedford has appointed nine members to the Community Preservation Committee, six representing existing committees and three at large members. The Committee expects to raise \$750,000 from Bedford tax revenues this year to be matched by approximately the same amount by the state next year. Therefore, in addition to the \$750,000 raised this year, at least another \$1.5 million is expected to be available next year. Bedford chose to exempt from the 3% surcharge the first \$100,000 of property value, families at or below 80% of area median income, and elderly over 60 years with income at or below 100% of area median income.

Last summer the Committee created a Community Preservation Program and Plan including short- and long-term housing needs and goals, criteria for making funding decisions and a prioritized list of potential projects with costs. This Program and Plan were presented in a public hearing in September and brought to the special Town Meeting in October for approval. During this Town Meeting expenditures for the Condo Buy-down and Duplex projects were approved. It is the understanding of the Bedford Community Preservation Committee that all three-program categories are town priorities and should receive their fair share of Community Preservation funding to the greatest extent possible.

5. *The Bedford Historic Preservation Commission (Contact: Don Corey, Chairman)*

The Bedford Historic Preservation Commission includes seven members appointed by the Board of Selectmen to preserve, protect, develop and manage the town's historical, archeological and cultural assets. The Commission is granted the authority to accept contributions, enter into contracts and acquire property of historic significance to further its mission. Priority projects for the Commission include:

- The acquisition of several parcels related to the Wilson Mill property including the raising of funds to support an application for National Register designation and the preparation of a historic landscape preservation plan.
- The application and award of State funding to renovate the exterior of the Old Town Hall and a feasibility study for the restoration of the property to public use.
- The completion of a project to photograph all property built prior to 1905 containing 800 pictures of approximately 280 historic properties available in the Public Library.
- The execution of improvements to the Job Lane House and barn to better preserve the property.
- The planning for the redevelopment of Depot Park including an application to be submitted for a listing in the National Register of Historic Places.
- The approval of a zoning amendment to offer tax incentives for owners of historic properties to substantially restore their properties.
- The updating of documentation regarding approximately 100 historic properties in the Old Bedford Center Historic District.

6. *The Bedford Conservation Commission (Contact: Elizabeth Bagdonas, Director)*

Members of the Conservation Commission are appointed by the Board of Selectmen to oversee the protection of wetlands, waterways and floodplains and to acquire and maintain open space for the protection of natural resources and the enjoyment of residents. Regulations require review by the Conservation Commission of all proposed developments within 100 feet of wetlands, water bodies, waterways and floodplains, and within 200 feet of perennial streams and rivers. The Commission also proposes the purchase of conservation land, executes these purchases, and oversees the maintenance and use of these lands. Maps of conservation areas and areas of conservation interest are presented as Attachment 6.

7. *The Bedford Council on Aging (Contact: Carolyn Bottum, Director)*

The Bedford Council on Aging provides a wide range of housing services and recreational programs to seniors in Bedford through the Town Center to maintain and increase the independence of Bedford's 3,000 residents who are over the age of 60, 23% of the total population. The organization also provides assistance to family caregivers and promotes an interdependent multigenerational community. Specific services include coordinating in-home services, educating the community about aging, offering on-site health services and screenings, creating volunteer and employment programs for seniors, providing individual counseling, and offering social and recreational activities.

In regard to housing, staff is available to provide elders with housing assistance, particularly in their attempts to secure alternative housing options in Bedford.

Through its interaction with seniors in regard to housing, the Council on Aging has observed the following housing issues for local seniors:

- One-third of the area's senior citizens have incomes of less than \$20,000 versus 3% for younger households;
- Most of Bedford's elders live in single-family homes that are among the older properties in the town, many with deferred maintenance needs;
- Ashby Place, an 80-unit senior housing project managed by the Bedford Housing Authority, is the only affordable housing project for seniors in town;
- Many of the area's older residents are experiencing great difficulty in living on their fixed incomes, finding it increasingly challenging to pay their basic living expenses, including the costs of food, taxes and utilities;
- There has not been significant interest in reverse equity financing, home sharing and in-law apartments (these are now legal under current zoning) to provide some housing options that make remaining in their homes more affordable to seniors;
- The Bedford Local Transport van has been a great service to seniors who do not own cars or who are no longer able to drive as most elders do not live in walking distance to local shops and services;
- Increasing numbers of younger families are bringing their parents to Bedford but are finding it difficult to maintain their parents in their homes or to locate alternative living options in town;
- The frail elderly are encountering problems remaining independent and cannot find reasonably priced assisted living options in town – facing a move to facilities in Billerica or Burlington, for example. The more expensive Carleton Willard Village on Old Billerica Road is unaffordable to most local seniors and waiting lists involve a two-year wait.
- A sizable number of residents in the Ashby Place project could benefit from more supportive services including more accessible housing units on the second floor, increased parking and more accessible laundry facilities.
- There are 3,000 Bedford residents over the age of 60, and the Council on Aging received 550 requests for services related to housing last year alone.
- There are 600 seniors living on the VA property and Carleton Willard housing, leaving 2,400 seniors who are living in the rest of the community and who are likely to require some change in their housing needs in the future.

The bottom-line is that Bedford's senior citizens need more housing that is more conducive to their life styles and special needs, including proximity to local shops and services.

8. *Other Housing Organizations*

Save Bedford is a local advocacy organization that developed in an ad hoc fashion in response to the Princeton Properties' Chapter 40B comprehensive permit proposal. The organization believes that the recent Chapter 40B proposals would be extremely problematic for the entire town, not just those who live close to the Avalon Bay and Princeton Property sites. *Save Bedford* contends that the location and density of these projects would degrade nearby conservation areas and would be a threat to public safety given the significantly increased traffic congestion. The organization supports efforts that would help the town meet the state mandate that at least 10% of the housing stock be affordable to low- and moderate-income households, but in a way that is ecologically sound. Consequently, *Save Bedford* supported the passage of the Community Preservation Act so that the town would have available resources to create affordable housing opportunities that support local needs based on sound planning principals regarding the scale and location of such housing. (*Contact: Rachel Field*)

Citizens for a Sensible Approach to Housing is an informal organization that was created in response to the application by Avalon Bay to build a residential development project through the comprehensive permit process. The group prepared and disseminated information about the project, hired an attorney, and took an editorial position in local newspapers. The group has worked with the developer and Town over the past several years to try to insure that if the project cannot be stopped, it at least will be more responsive to the immediate neighborhood and town in general. The organization continues to meet monthly to oversee new developments with the Avalon Bay project as well as the other proposed comprehensive permit project, Princeton Properties, and continues to provide testimony at public forums. (*Contact: John Wiliszowski*)

D. Existing Privately Managed Housing Developments That Include Affordable Housing

Those projects that are managed by the Bedford Housing Authority, described above, and the projects summarized below, with the exception of Shawsheen Ridge, currently make up the town's affordable housing inventory of 210 units that are counted by the state as progress towards meeting the 10% affordable standard established under Massachusetts General Laws Chapter 40B.

1. *Bedford Village*

Bedford Village is a private development built in the 1970's on Dunster Road as part of a comprehensive permit that was financed by the Massachusetts Housing Finance Agency, making all 96 units affordable under the state definition and providing a sizable portion of the town's affordable housing inventory. The project includes 24 low-income units, 48 moderate-income units and 24 market rate units, primarily for families. *Bedford Village* was designed as a small

community with townhouse-style apartments. The rental agreement that keeps the units affordable is due to expire in 2018.

2. *Shawsheen Ridge*

In September of 1986, John Callahan, a Trustee of Meadowbrook Realty Associates, and Michael Callahan and William Callahan applied to the Bedford Planning Board for a special permit to construct a planned residential development (PRD) on a 10-acre site known as 45 Shawsheen Road. Built in 1987, the project involved the development of 36 townhouse-style units for sale as condominiums as well as the preservation of seven acres of open space. The developer also proposed to set-aside six of these units as affordable, having this affordability managed through perpetuity through the Town of Bedford. In fact these six affordable units became the motivating force for forming the Town's Affordable Housing Committee that shortly after evolved into the Bedford Housing Partnership. The affordability of these six units is targeted to those earning within 150% of the area's median income. Recent sales of the market units ranged from \$229,000 to \$245,000 for the two-bedroom units and more than \$400,000 for the three-bedroom units as opposed to the affordable units that would now sell for approximately \$140,000, currently within the means of someone earning less than \$105,000 a year. Unfortunately, at the time of this development the state had no mechanism in place to allow affordable units, created without state or federal subsidies, to be counted as part of the 10% standard. Subsequently, the state established the Local Initiative Program that would allow units that are made affordable through internal subsidies to be counted if they are processed through a comprehensive permit and receive DHCD approval and technical assistance.

3. *Old Billerica Road*

The Old Billerica Road project is a four-unit rental development for those with special needs. The Massachusetts Department of Housing and Community Development subsidized the project through their Housing Innovations Fund. Former Housing Partnership member, Chuck Howard, coordinated the development of this project in the early 1990's, and the project is owned and managed by the Cooperative for Human Services based in Malden. All four of the units count towards the state-defined affordable housing inventory in Bedford.

4. *Bedford Meadows*

Bedford Meadows is an award winning homeownership development characterized by cluster housing of variable design, winding roads, and extensive open space. The project was developed and designed by the Conant Welch Group through a comprehensive permit and the Massachusetts Department of Housing and Community Development's Local Initiative Program. Ten of the forty new homes are set-aside as affordable, to be sold to first-time homebuyers earning no more than 80% of median income (currently \$52,500 for a family of four). The market rate homes were priced to be targeted to those earning up to 150% of median income (\$105,000 for a family of four by today's standard). The project

is located off of Carlisle Road and was developed in 1995. The project focused on moderately sized homes in five unique architectural styles. The 26-acre parcel borders the Great Meadows National Wildlife Refuge and Town Conservation Land making the site feel secluded in the woods while only two miles from Town Center.

E. Proposed Housing Developments

The projects summarized below involve either comprehensive permit applications that are currently before the Town for review or projects that the Housing Trust has been actively pursuing within the last year.

1. The Village at Concord Road

The Brown family is proposing to build a mixed rental and homeownership project on a six-acre wooded parcel owned by the family between Concord Road and the Town-owned railroad bed, designated as a future bike trail. The initial proposal was submitted in 1997, and the Brown family has been working with the Housing Partnership over the past several years to fine-tune the proposal and secure the necessary approvals. The project will be developed through a comprehensive permit and the state's Department of Housing and Community Development's Local Initiative Program. Eight for-sale homes are proposed as well as twelve rental units located in six duplex townhouse structures on the fringes of the site. Two of the eight single-family homes and three of the twelve rental units will also be set-aside as affordable, targeted to those earning up to 80% of median income. It is currently estimated that the two affordable single-family homes will sell for \$125,000 and the three affordable rental units will be rented for \$950 per month. The affordable units will be scattered throughout the development with substantially similar design and amenities. Additionally, the developer will market the units to those aged 55 or over, although there are no restrictions regarding the ages of others living in the units. This focus on a maturing population was in response to the preferences of abutters.

The project design involves an average unit density on the site of 3.1 units per acre or an average of 13,787 square feet per unit. An entry into the site will be aligned with Ten Acre Road and will proceed straight and then curve around to run parallel with the old railroad bed. The housing will be setback from Concord Road, and there will be substantial maintenance of existing trees as well as landscaping and fencing to provide a visual buffer between the projects and abutters. The site is located only one mile from Town Center. The attractive mix of homeownership and rental housing as well as mix of incomes served, will provide for some of the continuing needs of Bedford's seniors, and 14 of the 20 units will be counted towards the state's 10% standard (two of the for-sale units and all 12 rental units).

The developer submitted its application to DHCD for approval to participate in the state's Local Initiative Program⁴, and DHCD has visited the site and does not expect any problems with the LIP application. However, an appraisal is required by the state that the developers are in the process of securing. The project still requires the approval of the Zoning Board of Appeals and the Conservation Commission. It is likely that The Minot Group out of Acton, MA will be brought on as the General Contractor. The plans involve modular construction produced through New England Homes, Inc.

2. *Avalon at Great Meadows*

The Sunday, July 22, 2001 New York Times included a piece entitled, "Developer Has Law In Its Toolbox", to highlight how AvalonBay uses affordable housing laws to gain entry into affluent suburbs. The article mentioned that AvalonBay was the third largest Real Estate Investment Trust (REIT) in the country and the largest residential REIT in terms of capitalization, which totals \$5.5 billion. The article emphasizes how its deep pockets enable the company to bear the legal costs of pursuing its goals, including any litigation, building new rental housing that includes some amount of affordable housing in "high barrier to entry" towns – well-off suburbs that have the wherewithal and the municipal muscle to keep out unwanted development. The company uses affordable housing laws such as Chapter 40B in Massachusetts and Connecticut's Affordable Housing Law.

And AvalonBay has come to Bedford; with a 139-unit comprehensive permit application for Avalon at Great Meadows. The original proposal included 144 units on a 9.4-acre parcel. Negotiations with the town reduced this number to 128 units. The developer subsequently acquired site control over an adjacent 19.5-acre parcel that, while mostly wetlands, enabled the developer to reduce the overall project density and increase the total number of units to 139. The Housing Partnership has also promoted upgraded building materials and appliances as well as the in perpetuity rental of 100% of the units, in perpetuity affordability for 25% of the units, and the prescribed mix of unit affordability reflected equally throughout the various building types and unit mixes.

The project's comprehensive permit was submitted to the Bedford Zoning Board of Appeals on January 17, 2001. During the public review process several issues related to density and traffic were raised. The developer hoped that the addition of the abutting property would resolve some of these local concerns such as the relocation of the main entry into the project from Davis Road to Concord Road and the decrease in the project's overall density from approximately 13 units per

⁴ The Massachusetts Department of Housing and Community Development initiated the Local Initiative Program (LIP) in 1990 to provide technical assistance to communities that are working with developers to produce affordable housing without state and federal subsidy programs. It was created to promote greater coordination and cooperation between developers and municipalities under the state's Chapter 40B comprehensive permit law in communities with less than 10% of its housing stock reserved for low- and moderate-income households (incomes up to 80% of median income).

acre to about 6 units per acre while allowing increased setbacks to the abutters and wetlands. The Zoning Board of Appeals requested independent traffic and drainage studies on the revised configuration and requested input from the various boards involved in the review of the application. The traffic consultant stated during a recent ZBA hearing that there were problems locating one main entrance to the project on Concord Road and that the project should create another main entry on Davis Road. The ZBA met again on January 10, 2002, and it approved the comprehensive permit allowing three market rate house lots on Patricia Circle and requiring two roads with an entrance/exit onto Concord Road and an exit only onto Davis Road through either one of the subdivided house lots or Patricia Circle. The developer will also be required to commit \$200,000 for off-site affordable housing.

The Avalon at Great Meadows project involves a combination of garden apartments and townhouse-style units. The garden apartment units on the original 9.4-acre site have a mix of one- and two-bedroom units, 48 and 32 respectively, totaling 80 units of which 20 will be affordable to households earning up to 80% of median income. The townhouse units on the original site include 36 two-bedroom units and 12 three-bedroom units, once again 25% or 12 of the 48 units to be priced as affordable to those earning within 80% of median income. The new 19.5-acre parcel will include an additional 11-townhouse structure. It is expected that the developer will rent the market rate units for \$1,700 to \$2,100 per month. Basic amenities include a pool, a recycling/trash compactor center and a clubhouse featuring a fitness center, function room and leasing office.

3. Princeton Properties

During July 2001, Princeton Properties submitted a comprehensive permit application to the Town for the development of 258 units in eleven, three-story buildings on a site located off Concord Road just before the intersection of Davis Road, across the street from the Lutheran Church. The proposed site consists of approximately 55 acres of which almost 17 are wetlands. Current site density is 5.27 units per acre and 8.04 units per buildable acre. The units will be in excess of 1,000 square feet, with 90 one-bedroom units and 168 two-bedroom units, including 23 affordable one-bedroom units and 42 affordable two-bedroom units, in total 25% of the total number of units as required by the comprehensive permit. Site amenities will include a fitness center, a business center, and an outdoor pool. The developer anticipates the units leasing for between \$1.75 and \$2.00 per square foot or up to \$2,000 per month for a 1,000 square foot apartment. The developer expects to market the units primarily to working professionals and empty nesters.

The developer initially approached the Town regarding the possibility of developing the project through the state's Local Initiative Program, a nonadversarial version of the comprehensive permit. The Board of Selectmen not only decided against the Local Initiative Program route, but it also contended that the developer does not have legal access to the site based on research by Town

Counsel. The site was once a working farm that has been separated from Concord Road by a narrow trail the Town acquired from the Boston & Maine Railroad after train service was terminated almost a half century ago. The developer proposes to obtain access to the site over this Town-owned railroad bed. Town Counsel contends that the developers do not have the right of access, and the Town has filed a declaratory statement to this effect in State Land Court. The Zoning Board of Appeals, the sole permitting authority under the comprehensive permit process, heard the case on July 26, 2001, and it stated that the issue of right of access must be resolved before it can formally review the comprehensive permit application.

4. *Veterans Administration Housing – Village at Springs Brook*

The Bedford Housing Trust obtained a grant from the Massachusetts Housing Partnership Fund (MHP) to support consulting services for the development of an estimated ten rental units on the Veterans Administration (VA) Hospital Grounds. Built in 1928 initially as a Soldiers Home before the advent of the GI Bill and the Veterans Administration in 1952, the VA is one of the largest landowners in town and manages approximately 180 acres of federally owned land. It also has a 304-bed nursing home (100 beds for Alzheimer patients), 40 beds of transitional housing for homeless veterans, a hospital with up to 2,000 discharges annually, outpatient treatment centers that accommodate almost 12,000 veterans a year, 16 units of housing for employees, a \$10 million research facility, and a centralized mail order pharmacy. The VA employs 1,000 people and benefits from a multi-use gymnasium, a nine-hole golf course and considerable conservation land. The VA has several sites suitable for affordable housing development and has expressed a willingness to work with the Housing Trust, leasing a site for 45 years or so for the purpose of producing affordable housing. Because the land is federally owned it is not restricted by Town zoning but requires federal review of any contract of more than 3 years in duration.

The Housing Partnership has been working with the VA on a 1.2-acre site that currently includes a parking lot and fields. With MHP technical assistance funding the Housing Partnership has hired a consultant to prepare a business plan that will describe the development of housing on this site, referred to as the Village at Springs Brook. Of the ten rental units under consideration for this development, at least four would be financed as affordable. Financing for the project is expected to include a Cambridge Savings Bank construction loan and the Massachusetts Housing Partnership's enhanced Permanent Plus Program. The Community Preservation Fund has been identified to provide necessary gap financing in a projected amount of \$300,000.

5. *Veterans Administration Housing – New England Shelter for Homeless Veterans' SRO Project*

The VA has been working for almost four years on the development of 60 units of Single Room Occupancy (SRO) housing with the New England Shelter for Homeless Veterans. The VA is able to negotiate with the organization on a sole

source basis, without the need for a competitive bidding process, because it is an affiliated organization. The project's business plan has been approved, and the developer is awaiting final approval from the Massachusetts Housing Finance Agency on its federally insured financing.

6. *Duplex Conversion Project – Duplex Housing Task Force*

The recommendation that the town explore the option of purchasing a two-family home, making the necessary improvements and converting it to affordable condominiums has been discussed over the years. In the spring of 2000, however, the Housing Trust designated a Duplex Housing Task Force to coordinate the necessary arrangements to make this purchase/rehab project a reality, acquiring its first house in 2001. The Task Force envisions this project as not only a means to create more affordable housing in town, but also as a way of building community around the issue of helping others.

To date, more than \$25,000 has been raised from community donations, and the Bedford Housing Trust committed another \$25,000 from an advance of the \$365,000 commitment made to the Housing Trust by The Gutierrez Companies as part of the negotiations for the development of their 79-acre commercial project along the Middlesex Turnpike. This funding will be used for the down payment to acquire a two-family house. The Town is also conveying an undersized Town-owned vacant parcel at 9 Houlton Street to the Housing Trust to be used as collateral in obtaining project financing. The Duplex Task Force anticipates selling each condo to families qualified at 80% of area median income. Assuming a property acquisition price of \$350,000 and development costs of \$225,000, there is a total of \$575,000 in project costs. With a combined sales price of \$237,560, there is a gap of almost \$337,440, or \$168,720 per unit requiring gap financing from a variety of possible sources such as DHCD, the Gutierrez commitment, the Federal Home Loan Bank Board and the Community Preservation Fund.

The Task Force should be in position in the very near future to acquire its first two-family house. A likely source of two-family units is Bedford Gardens, however, the Task Force will look throughout the town for the best deal it can negotiate. Certainly the acquisition of a number of properties packaged in one development project should be considered in the future.

7. *Blake Block*

Planning is underway for the rebuilding of what has been referred to as the Blake Block, located on Great Road between Springs and Fletcher Roads. A plan for the redevelopment of this property was brought before Town Meeting this past March, where it was denied by a very small margin. While most Bedford residents perceive a need to improve this block, debate continues over the size and overall character of any redevelopment effort. The owners of the property, Bruce and Dotty Blake, are currently considering alternative development plans, and representatives from the Town and abutters had been meeting regularly to come to some agreement on the design and scale of the project and regulatory process.

However, these meetings have ceased due to a lack of progress. The committee had explored several regulatory strategies. First, the entire property, including the wooded lot, parking and building would be rezoned through one approval process. The new building development along Great Road would include commercial uses on the ground floor with housing above, including affordable housing. The second alternative is to process the project in two parts, with commercial on the front part of the site and housing on the rear, to be developed through a comprehensive permit allowing somewhat higher density.

More recently, the Blakes have proposed another project involving the residentially zoned 25,000 square foot parcel that they own along Springs Road behind their commercial building. The Blakes are proposing twelve to sixteen units of rental housing in one building, reminiscent of an old inn. The project would be processed through the Local Initiative Program (LIP) with an affordable component and market rate rents below typical market rents for new rental units.

8. *East Village (Great Road and Lane Avenue)*

Another recent project has been proposed as a potential comprehensive permit through the Local Initiative Program (LIP) located at Great Road between Lane Avenue and Loomis Street. This site, due to its proximity to transportation and other services along Great Road, has been explored as a possible affordable housing option a number of times in the past. James Barr recently purchased the property for development of a single-family home for which the parcel is zoned. However, Mr. Barr discovered that the project was infeasible for single-family development given the relatively high acquisition price. He subsequently prepared a conceptual plan for the development of six condominium units on site and presented these plans before the Bedford Housing Trust, looking for feedback and some indication of support through LIP. The Housing Trust offered its general support for the project and further suggested that Mr. Barr look into increasing the density somewhat. Based on eight new units of housing, at least two would have to be affordable and would be eligible for inclusion in the town's affordable housing inventory.

F. Regulations and Permitting

Zoning is the principal tool that municipalities use to control land use and development. Bedford's Zoning Bylaw divides the town into 10 classes of property including the following:

- *Residential Districts*
 - Residence R
 - Residence A
 - Residence B
 - Residence C
- *Business Districts*
 - Limited Business (A)
 - General Business (B)

- Commercial
- *Industrial Districts*
 - Industrial (B)
 - Industrial Park (A)
- *Conservancy District*
 - Flood Plain/Wetland District (an overlay district whose boundaries and regulations are superimposed on the Residential, Business and Industrial Districts)

The location and boundaries of these districts are shown on the Town's Zoning Map and each district has its own building requirements. See Attachment 7 for the Dimensional and Use Regulations for each district.

The Bedford Zoning Bylaw has a number of provisions that are conducive to affordable housing development including the following:

- *Accessory Apartment Bylaw*

The Bylaw defines an accessory apartment as a second dwelling unit located within a structure constructed as a single-family dwelling, subordinate in size to the principal dwelling unit and separated from it in a manner that maintains the appearance of the structure as a one family unit. The Bylaw allows the development of these accessory units as-of-right if they meet certain requirements (i.e., building permit required, only one accessory unit per property, the accessory unit can not exceed 30% of the gross floor area of the entire property, the property must be at least 1,800 square feet including the basement, the accessory unit must have no more than two bedrooms, the unit must be connected to public water and sewer, there must be an enclosed stairways to maintain the appearance of the single-family home, and at least two off-street parking spaces have to be available for the principal dwelling and one for the accessory apartment) to increase the number of small rental units in town, to increase the range of housing choice in town, to encourage greater diversity of the population with particular attention to young adults and senior citizens, and to encourage a more economic and energy-efficient use of the town's housing supply while maintaining the appearance and character of the town's single-family neighborhoods.
- *Cluster Zoning Provision*

Section 8 of the Zoning Bylaw pertains to cluster development that is allowed by special permit from the Planning Board for a pattern of land development that is an alternative to the standard subdivision permitted in Residential Districts. Cluster development is intended to encourage the conservation of open space and the efficient use of land in harmony with its natural features. Consequently, parts of the development site tend to have greater density than what is allowed for a typical subdivision, somewhat improving the economies for affordable housing. Cluster zoning is allowed upon a single tract of land that has an area of not less than five times the minimum lot area of the zoning district within which it is situated. The parcel must also be under one owner. The number of units permitted must not exceed the larger of the number of units that could be built in a standard subdivision or the number obtained by dividing the total area, exclusive

of flood plain or wetlands, by the minimum standard lot size permitted in the zoning district. Only single-family detached homes are allowed. Common land must include at least 25% of the land area of the site and no more than 50% of the common land can be situated in a flood plain or wetland. A greenbelt is also required that restricts development within 50 feet of the boundaries for the tract.

- *Planned Residential Development*

Planned Residential Developments (PRD) are allowed by Section 9 of the Zoning Ordinance with many of the same provisions of the cluster development but allowing for a greater mixture of housing types at somewhat greater densities than what is permitted in the Residential Districts and cluster developments. The number of permitted units is calculated by dividing the area of the site, exclusive of flood plain or wetlands, by the minimum standard lot size included in the zoning district. However, this density can be increased by 15% by conveying to the Town land that is not within the PRD tract but in private ownership and unencumbered by any restriction. Density can also be doubled if 50% of the additional units, but not less than 10% of the total units in the PRD, meet the state affordability requirements under the Local Initiative Program including being affordable to those earning at or below 80% of median income and subject to deed restrictions to insure affordability in perpetuity. Only single-family units and accessory units are allowable.

- *Commercial Mixed-Use Provision*

The Zoning Bylaw also allows residential development in Limited Business Districts under site plan approval.

- *Industrial Mixed-Use Provision*

The Town Planner has drafted a zoning amendment that allows housing in a mixed-use setting, including affordable housing, in industrial districts. The draft states that the amendment “is intended to create mixed commercial, residential, and open space in areas where the visual and physical dominance of the automobile is made secondary to pedestrian needs; to encourage pedestrian activity by creating a pleasant, rich and diverse experience for pedestrians; to reduce traffic congestion and air pollution by providing opportunities for retail services, housing and employment in close proximity; and to encourage the sharing of parking lots and driveway curb cuts, minimizing the amount of paved parking surface area, and reducing traffic congestion.” Multi-family housing is allowed if at least 25% of the total number of units is affordable to households earning at or below 80% of area median income. The draft amendment also includes language regarding affirmative marketing requirements and resale restrictions to maintain affordability in perpetuity. This amendment is being reviewed by Town committees and is slated to go before Town Meeting next spring. A copy of this draft bylaw is included in Attachment 4.

The Town Planning Board regularly revises the Zoning Bylaw keeping it current with market conditions and new needs as they arise. For example, the Town Planner is interested in working on an ordinance for the development of Over 55 Housing, also referred to as Senior Residential Developments.

Another regulation relating to affordable housing is *Article 39 of the Town's General Bylaws*. This regulation requires that a minimum amount of land be reserved by the developer for purchase by the Town for affordable housing purposes as a condition of approval for new residential subdivisions. This regulation requires that at least 10% but no less than one-half acre of the buildable area be reserved for housing purposes, the location of this land to be determined by the Planning Board. Alternatively, the developer may elect to enter into a partnership agreement with the Town to build subsidized and/or affordable housing units on the site or provide an alternate cash contribution to the Town or to a nonprofit housing assistance corporation or trust, designated by the Board of Selectmen in lieu of payment to the Town to support affordable housing elsewhere. This cash contribution is calculated by multiplying \$5,000 times each buildable acre or a fraction of the entire proposed subdivision. There has not been land acquisition through this regulation as it requires payment of the full market value of the property as well as Town Meeting approval. However, the Town did receive a cash contribution for one particular project.

Building permits provide another regulatory tool for the town to control development, insuring that all new property development and improvements comply with the state's building code. During the last several years there have been some new trends regarding building activity in Bedford. First, due to the escalating costs associated with purchasing property, an increasing number of residents are opting to expand their current homes in the form of an additional story or wing, to avoid the high purchase prices of "buying up" in the community as their families grow. Second, properties have been acquired followed by requests to demolish the existing homes and replace them by much larger houses. This trend is occurring in other affluent towns in the Boston area – a part of the "mansionization" of the suburbs. There have been less than a dozen "tear downs" to date in Bedford, however, there is growing concern that this trend might escalate given the experience of nearby towns. Third, this "mansionization" process is also occurring in subdivision development as evidenced by the new residential areas of Page Hill, Sweeney Ridge and the revolutionary area off of Davis Road, with home prices of well over \$1 million. The first home that was priced over \$1 million was permitted in the early 90's for over \$700,000, but it included more than seven acres of property. These new homes are built on much smaller sites, each relatively close to adjacent homes. Fourth, presumably due to the steep increases in property values and fewer site options, the level of residential permitting activity is down from prior years. The crisis of September 11th might keep this level depressed at least through the near future. While building permit activity for new home development was upwards to 91 permits in 1994, only 17 such permits were processed in fiscal year 2001 (July 2000 to June 2001) and an additional 77 permits were directed to new home additions.

The Town can process building permit applications within a week to ten days if it receives a complete application. Because time is money when development is concerned, the quick processing of Town permits is helpful when creating affordable housing.

G. Property Inventory

There have been several efforts to identify properties appropriate for housing development over the last several decades. The 1986 Bedford Housing Plan listed possible affordable housing sites and these “sites for consideration” are included as Attachment 2 of this Comprehensive Affordable Housing Plan. Specific development proposals were also offered for four of the sites, three of which have been subsequently developed as market rate housing including Otis Street/Highland Avenue, Davis Road/Notre Dame Road/Laurie Lane/Karen Drive, and Selfridge Road. Another site, Great Road/Springs Road/Fletcher Road is now being considered for development as part of the Blake Block.

In 1989 the Bedford Housing Authority hired a consultant, the Mount Vernon Group, to prepare a Housing Site Inventory. This project involved an assessment of publicly and privately owned sites for potential development by the Housing Authority. Through a process of elimination, 34 properties were identified that appeared to have the greatest potential for state-sponsored housing. Ultimately 20 properties were analyzed and classified according to the following characteristics – utilities available, zoning, wetland impact, street frontage/access, general topographic character, neighborhood characteristics, ownership and a preliminary visual inspection. There is some overlap between this list and past and future lists of potential affordable housing development sites.

In the mid-1990’s the Housing Partnership undertook a cursory review of potential sites, reviewing the status of a number of potential parcels. Also, the current draft Comprehensive Plan proposes that the Town purchase a large parcel of land that is privately owned with a Ch. 61 agricultural restriction, located near the Gutierrez parcel to be developed through the Chapter 40B comprehensive permit process.

Most recently a committee of the Housing Trust evaluated a wide range of potential affordable housing development sites. Starting with a list of developed and undeveloped sites from the Town Assessor’s Office, involving 400 to 500 parcels, the committee began to hone-in on parcels that were owned by the Town or privately owned but had at least 100,000 square feet, arriving at approximately 178 parcels. These sites were further assessed as to whether they were buildable in consideration of wetlands or other environmental or physical problems. Finally the committee listed almost 80 properties and ranked them in the order of how promising they were for potential affordable housing development. In addition to providing parcel numbers, locations, ownership, and square footage, these sites are coded in the following manner:

- *P1* – Most promising sites,
- *T* – Time sensitive (requiring somewhat quicker action),
- *O* – With open space possibilities,
- *P2* – Promising sites with some problems/somewhat promising,
- *I* – Need more information (i.e., wetland status), and
- *L* – Long-term potential due to a range of issues concerning ownership and current use.

To begin to focus on actual sites for development, this Comprehensive Affordable Housing Plan proposes priorities regarding the site selection process. In addition to a focus on Town-owned property, another significant caveat to this priority system – an extremely important consideration with respect to affordable housing development – is the site’s proximity to transportation and services, thus focusing development close to the major transportation and commercial corridors and mitigating some of the effects of additional traffic congestion associated with any new development.

Priority One: When searching for the most feasible sites for affordable housing development, priority consideration should be given to Town-owned property. Because property values have skyrocketed, the subsidy associated with free land is increasingly important to making units affordable. This is particularly true for the more affluent suburban communities, like Bedford, which are encountering greater challenges in securing state and federal subsidy funds to promote unit affordability than other communities with higher concentrations of poverty and poorer housing conditions. The contribution of municipal property for affordable housing development is viewed extremely favorably by government agencies in making funding decisions, the land contribution considered as a major local commitment to project financing. Town-owned parcels for serious consideration include:

- *190 Springs Road* – This parcel is also listed as P-2 (somewhat promising) as it includes the DPW garages, has wetlands and an unbuildable knoll. Nevertheless, because of its size, 355,000 square feet, the Town should thoroughly review the potential for new housing development. The property also has a deed restriction requiring recreational use that would have to be reversed through a string of local, state and federal approvals.
- *34 Fayette Road* – This parcel was listed as only somewhat promising by the Land Evaluation Committee of the Housing Trust as it is relatively small, 30,517 square feet, and is currently being used for a playground.
- *447 Concord Road* – As part of the 1989 Housing Authority Inventory, the Massachusetts Historic Commission was asked to inspect the site for potential Native American artifacts. This site visit was inconclusive, although the Commission indicated that it looked like some of the land had been disturbed long ago for some reason. The parcel, with 191,664 square feet, has limited access to Concord Road and slopes down from Concord Road quite a bit. It is also wet at the rear of the property along the railroad bed. Nevertheless, the site shows quite a significant potential for development, particularly if combined with 445 Concord Road that is currently on the market. The addition of this adjacent site not only adds land to accommodate more units, but also improves the access to Concord Road and the existing sewer line. There is an old house on 445 Concord Road. It would be useful to secure a further evaluation of the possible archeological implications of the site as soon as possible.

- *131 Shawsheen Road* – This is a large parcel that was a former sand and gravel pit. While there have been discussions of the needs for cemetery expansion land and watershed protection, a portion of the site would be ideal for housing.
- *15 Pine Hill Road* – This site (145,926 square feet) abuts the Town-owned property at 190 Springs Road and also may have a considerable amount of wetland. Because it is Town-owned all efforts should be made to review its potential for affordable housing production.
- *70 Pine Hill Road* – The Town purchased this property several years ago and placed a 15-year development restriction on it. When this restriction expires in 13 years, the Town should strongly consider conveying it for the purposes of affordable housing.

It is important to recognize that Town-owned land is extremely limited and each of the sites listed above includes a range of special issues that make development problematic whether it be the amount of wetlands, development restrictions, competing plans for development, other existing uses on site, archeological significance, access problems, and other geographic challenges. It is likely that any of these sites will take a concerted amount of time and attention to resolve difficult technical obstacles and attract necessary community support before they can be made available, if at all, for new housing development.

Priority Two: Those properties identified as most promising by the Housing Trust (coded P-1) but not owned by the Town of Bedford are listed below.

- *Property 1 (Village at Springs Brook)* – Currently a parking lot and field owned by the Veterans Administration, this 1.2-acre parcel is being planned for mixed-income rental housing with financing from the Massachusetts Housing Partnership Fund. See Section III.E.4. for details.
- *Property 2* – This property involves two contiguous sites, one with approximately 235,000 and another small lot of 26,000 without any existing buildings. The Housing Trust should contact the owners to indicate its interest in potentially purchasing the parcels with the intention of building housing. Depending upon the owners' response, the Trust might propose an arrangement to give the Trust the right of first refusal when the owners decide to sell.
- *Property 3* – This privately owned property includes an historic house, a large barn and open space that could potentially accommodate all three of the missions of the Community Preservation Fund (to create greater opportunities for open space, historic preservation and affordable housing). Both the house and barn are deteriorating and would require substantial repairs.
- *Property 4* – This long parcel has more than 500,000 square feet and involves a little farm along the railroad bed, including an occupied house. There are some wetlands. A potential development configuration would

be to subdivide the property to include the house and wet area as one parcel, with the other portion of the site developed as affordable housing.

- *Property 5* – This parcel (more than 130,000 square feet) backs directly onto Elm Brook and does include considerable wetlands as well as an existing house. It is estimated that the site could accommodate up to 13 housing units depending upon the actual amount of wetland.
- *Property 6* – The site includes a multi-family rental housing development, which could use upgrading. There may be some potential for refinancing the project to make necessary improvements and establish long-term affordability of the 44 units, adding the property to the town's affordable housing inventory towards meeting the state 10% standard.
- *Property 7* – This property includes two parcels, offering almost 3 million square feet, or more than 67 acres, of flat and primarily dry land close to Hanscom Air Base. This is a very beautiful site with fields and a wooded periphery. At today's prices, it is extremely doubtful that the Town can afford to purchase the entire parcel even with the Community Preservation Fund. However, a partnership between the Town/Housing Trust and the existing owners or a new developer is perhaps the most feasible approach to development. The heirs of the original owner may be in a position to sell the property given that a long-term lease for use of the property is not being extended, thus eliminating approximately \$250,000 in annual income. The Board of Selectmen will be contacting the owners to ascertain their intentions for the property. The Housing Trust, Board of Selectmen, Community Preservation Committee, Conservation Commission, among others need to arrive at some agreeable development options to ultimately discuss with the owners and contact developers who have the experience and financial capacity to implement the Town's vision for the property. This is perhaps the most valuable short-term development opportunity in Bedford, and the Town should be proactive in insuring that any development meets local needs.
- *Property 8* – This is a 660,000 square foot property that includes some level and dry land that would be conducive to housing development. The other part of the property at 70 Pine Hill Road was acquired by the Town and given a 15-year building restriction with approximately 13 years remaining.
- *Property 9* – This more than 200,000 square foot parcel is currently owned by the Middlesex Community College and was given to the college a number of years ago by the VA Hospital for shuttle parking. At this time the lot is not being used and has great potential for affordable housing development. In fact years ago, the Bedford Housing Authority had conversations with the VA Hospital concerning the potential of building special needs housing on the site with funding from the state Department of Mental Health. Representatives of the Housing Trust should contact the College to ascertain its level of interest in conveying the property to the Trust, preferably at some nominal or discounted price.

- *Property 10* – It may be worth testing the receptivity of current owners of an existing condominium project regarding the possible addition of more units either as wings to the current building or as separate buildings on site in exchange for certain financial concessions that the Town or new developer may be able to grant as an incentive for further development of housing. The existing condominium is located on a site with considerable undeveloped acreage.
- *Property 11 (East Village Project)* – This property is on Great Road between Loomis Street and Lane Avenue and was discussed as a potential site for 10 units of senior housing more than a decade ago. The previous owner decided to sell to an educational organization but was unable to obtain the necessary zoning relief. The parcel is rather small, less than an acre, but because of its pivotal location would be an excellent site for affordable housing, particularly housing for seniors who benefit from being close to services and transportation. Just recently the property was sold to a private developer to build a single-family home as-of-right. However, the owner determined that the project could not be financed as a single-family development, and he has been in contact with the Housing Partnership regarding support for a mixed-income rental project to be processed through the comprehensive permit process via the state's Local Initiative Program.

Priority Three: The redevelopment of mixed-use areas should be strongly encouraged. For example, the draft Industrial Mixed-Use zoning amendment will provide the opportunity for residential development in industrial areas, in fact the option of rebuilding these areas into mixed retail, office and residential communities. Additionally, redevelopment along the town's commercial arteries to include significant new housing production, bears close scrutiny. Another significant opportunity for Bedford is the development of Depot Park as a mixed-use revitalization area, combining new commercial enterprises as well as new residential opportunities to accommodate a wide range of incomes and lifestyles – from seniors who desire to live close to services; to young professionals interested in feeling more a part of a diverse village life in close proximity to amenities such as specialty stores, restaurants, perhaps a cinema or small theater, and bike paths; and to artists or other business owners who want live-work spaces that can combine work space with living quarters. This development can also grow into a significant destination place for cyclists using the town's bike paths. Such development can be accomplished through an amendment to the Zoning Bylaw that would allow residential use in this commercial district in sufficient densities to accomplish a village square vitality in support of the historic character of the area and the efforts of the Friends of Depot Park. In addition to existing Town-owned property, additional property can be acquired for the redevelopment project through private acquisition and, if necessary, eminent domain.

Priority Four: It is instructive to compare the property inventory recently prepared by the Housing Trust to those areas of interest identified by the

Conservation Commission (included as Attachment 6) to coordinate the interests of conservation and affordable housing development to the greatest extent possible. There are some overlaps between the areas of interest with the potential of working together to build housing and maintain open space for several of the Priority 2 properties listed above including Properties 3, 7, 9 and 10.

Priority Five: The Housing Trust's Land Evaluation Committee identified a number of potential sites that may have some long-term potential for affordable housing development. The Trust should at some point within the next few years contact the owners of these properties and express its interest in exploring the possible future development of affordable housing. The Trust should then keep in contact with these owners and monitor their interest periodically.

There are also other potential affordable housing sites that have been suggested by local leaders and deserve further investigation. For example, the former Raytheon Naval Weapons and Industrial Reserve Plant might have property conducive to new housing development. While the top of the hill is industrial, the lower left side of the Navy's property could potentially be used as affordable housing, next to the existing trailer park. Some even mention the prospects of obtaining site control over this trailer park, eventually to be maintained as part of the affordable housing inventory. Many suggest that the Town look to mimicking private development, purchasing very small under-maintained homes on larger parcels, tearing down the existing house, and redeveloping the property to include affordable housing. Because there are several local owners who possess considerable amounts of undeveloped land, there have been many recommendations to try to work out deals with these owners, over and above what is currently in process. Certainly the potential of converting multi-family housing into affordable condominiums should be explored.

IV. ACTION PLANS -- INTRODUCTION

The information summarized in the preceding three sections provides the foundation upon which the actual housing strategies are based, outlined in Action Plans of three durations – Two-Year, Five-Year and Longer-Term. The strategies provided in these Action Plans were directly derived by the following sources:

- The history of housing development in Bedford;
- Housing data, studies and reports;
- Relevant bylaws, permitting and regulatory procedures;
- Housing market conditions;
- Current housing programs and services;
- Identified gaps between existing programs/services and housing needs;
- The inventory of Town-owned and privately owned vacant land and buildings that might be appropriate for housing development;
- Housing efforts sponsored by other towns and cities;
- Input from more than fifty city and state officials, community leaders, real estate and development professionals, state and federal agency representatives, and representatives from other municipalities; and
- Most fundamentally, the overriding housing objectives.

The development strategies that are included in this Comprehensive Affordable Housing Plan are also based on important development goals and objectives that should be guiding principles in selecting project sites, determining the type of development, and identifying priorities. Whenever possible the Town of Bedford should target development projects based on the following planning priorities – *development goals and objectives*:

- Target development projects to Town-owned properties to take advantage of parcels that will have discounted or nominal acquisition costs.
- Target development projects to those areas of town most accessible to transportation, goods and services to minimize further traffic congestion.
- Make sure that development projects are designed to be harmonious to the surrounding community and recognize that there is no replacement for good design.
- Avoid targeting development projects to areas that are ecologically sensitive and will degrade nearby conservation land.
- Insure that development projects complement existing historic districts.
- With projects of less than 8 units make sure that all units, to the greatest extent possible, are affordable to those earning no more than 80% of median income.
- Try to create small mixed-income communities for rental projects of 8 or more units in any one location.
- Look for affordable housing opportunities that will minimize impacts on the built or natural environment such as the refinancing of existing housing or the creation of accessory apartments.

- Develop a number of project alternatives in recognition of a range of housing needs in town including rental and homeownership options as well as housing for seniors and families.
- Look to areas of town that could accommodate higher housing densities such as industrial and commercial areas or other primarily nonresidential areas.
- Seek opportunities to combine amenities with housing creation such as locating recreational, institutional and retail uses in close proximity to new housing when appropriate.
- Look for opportunities to obtain land or other resources for free or at below market values.

There are pockets of opportunity in Bedford to create affordable housing that comply with the criteria listed above. These projects also, for the most part, are in accordance with key components of the Town's draft Community Preservation Program, a requirement for the distribution of the Community Preservation Fund.

There are a number of compelling reasons that the town of Bedford must demonstrate actual production of affordable housing including:

1. Growing Affordable Housing Needs

The explosion of housing values intermixed with punishing traffic conditions have jeopardized the local diversity and the small town character of the town, of great concern to local residents and community leadership. This Affordable Housing Plan represents an opportunity to define how Bedford can stimulate diversity and provide new havens for those who are currently priced out of the existing housing market. The recommendations included in the actions that follow are in response to a wide range of housing needs and issues confronting the community that call out for some local response including:

- Over the past decade there were 646 new owner-occupied housing units created with a loss of 113 rental units. The increase in the owner-occupied stock is due to the proliferation of small, high-end market, single-family subdivisions and condominium development, whereas the loss in rental units is most likely because of condominium conversion activity.
- In 1990 median family income was \$57,561, however, today it is \$70,000, an increase of almost 22%. However, incomes have not kept pace with housing prices as the median house price increased beyond 75%, from \$228,100 in 1990 to more than \$400,000 today. A household earning the current median income of \$70,000 can afford a home costing approximately \$250,000, at the lowest end of available single-family homes. One would need an income of more than \$115,000 to afford the median sales price in Bedford today.
- In order to afford a rental unit at the lowest range of \$1,000 per month, a minimum wage worker would have to work 123 hours per week, therefore requiring two working members of the household and double shifts.

- Smaller homes on decent sized lots are being acquired and torn-down, to be replaced by very large new residences priced well beyond the means of most residents.
- Those families who purchased starter homes are finding it difficult to “buy up” – purchasing larger homes for their growing families – due to the widening gaps between the smaller, older housing stock and the newer, larger homes in pricey subdivisions.
- One-third of the area’s senior citizens have incomes of less than \$20,000 versus 3% for younger households.
- Most of Bedford’s elders live in single-family homes that are among the older properties in the town, many with deferred maintenance needs.
- Ashby Place, an 80-unit senior housing project managed by the Bedford Housing Authority, is the only affordable housing project set-aside for seniors in town.
- Many of the area’s older residents are experiencing great difficulty living on their fixed incomes, finding it more and more a challenge to pay their basic living expenses, including the costs of food, taxes and utilities.
- The frail elderly are encountering problems remaining independent and cannot find reasonably priced assisted living options in town – facing a move to facilities in Billerica or Burlington, for example. The more expensive Carleton Willard Village on Old Billerica Road is unaffordable to most local seniors and waiting lists are for more than two-years.
- There are 3,000 Bedford residents (2,400 living in the community outside of the VA and Carleton-Willard facilities) over the age of 60, and the Council on Aging received 550 requests for services related to housing last year alone.

2. *State Chapter 40B Requirements*

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for “comprehensive permits” submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application.

If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality’s year round housing stock has been subsidized for households earning less than 80% of median income and if the locality cannot demonstrate health and safety reasons for the denial that

cannot be mitigated. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality.

While there are ongoing discussions regarding how the State should count the affordable units for the purpose of determining whether a community has met the 10% goal, currently at least 25% of the units in each development project must be made affordable to those earning less than 80% of median income, the income levels defined each year by the U.S. Department of Housing and Urban Development and with rent and resale restrictions for at least 15 years to protect longer term affordability. In a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) as long as at least 25% of the units are affordable to households earning up to 80% of median income. Such assistance may include site evaluation, developer selection, development proposal review, project feasibility analysis, and the review of compliance with existing regulations.¹

Another financing option in regard to comprehensive permit projects is the New England Fund administered by the Federal Home Loan Bank Board. The New England Fund provides project financing through participating banks at discounted interest rates. The New England Fund allows developers to bypass Town Selectmen and City Councils after obtaining a site eligibility letter from the participating bank. After the site eligibility letter is obtained, the developer needs to proceed with the comprehensive permit with the Zoning Board and execute a regulatory agreement that stipulates how the home prices are to be set.

While accurate statistics on the effects of Chapter 40B are lacking, the state's Department of Housing and Community Development has data that indicate that almost 118,000 units of affordable housing were built between 1970 and 1999, from 85,621 to 203,260 units, now involving about 9% of the state's housing and about 18% of the total housing production during that period. Approximately 14,600 of these units were built in communities that previously had no subsidized housing. The number of communities that had no subsidized housing declined

¹ The Massachusetts Department of Housing and Community Development initiated the Local Initiative Program (LIP) in 1990 to provide technical assistance to communities that are working with developers to produce affordable housing without state and federal subsidy programs. It was created to promote greater coordination and cooperation between developers and municipalities under the state's Chapter 40B comprehensive permit law in communities with less than 10% of its housing stock reserved for low- and moderate-income households (income up to 80% of median income). According to LIP guidelines, developers have to obtain a site eligibility letter from a local Board of Selectmen or City Council prior to seeking a comprehensive permit from a zoning appeals board.

from 173 to 54. While the state's largest cities had 69% of the subsidized housing units in 1972, in 1997 this level had fallen to 37%.

Recent survey research indicates that from 1970 to 1999, 373 housing projects were built through the comprehensive permit process, involving 21,000 total units and 18,000 affordable units.² Of the 119 communities in the early 70's that had no affordable housing, 60% had built affordable housing by 1997 through the comprehensive permit process. Private developers applied for 60% of the comprehensive permits, nonprofit organizations 12% and public authorities 28%.

While the overall affect of Chapter 40B has been positive in the Commonwealth, most communities would likely opt to chart their own course in creating affordable housing – based on recognized local needs – rather than react to an outside developer's comprehensive permit application. The town of Bedford is no exception, and this Comprehensive Affordable Housing Plan is a major step forward in the Town's preparations for actual production of affordable housing to eventually exceed the state 10% standard under Chapter 40B and no longer be susceptible to the comprehensive permit process. Nevertheless, it is necessary to recognize that even when the 10% standard is reached, it is likely that the town will still be faced with unmet affordable housing needs that will compel it to continue to produce new housing alternatives for residents.

3. *Executive Order 418 Housing Certification Requirements*

Last year Governor Cellucci signed Executive Order 418 to help communities plan for new housing opportunities for individuals and families across a broad range of incomes while balancing activities related to economic development, transportation, infrastructure improvements and open space preservation. This Executive Order has two parts:

First, *Housing Certification* prescribes a range of housing-related activities towards which communities must demonstrate significant progress to obtain priority when applying for various state discretionary programs administered by the Executive Office of Transportation and Construction, Executive Office of Environmental Affairs, Department of Housing and Community Development, and the Department of Economic Development. Those communities that secure housing certification will receive a 10% scoring bonus when applying for these grant programs. Additionally, communities that have not attained housing certification are not eligible to receive some discretionary grant funds administered by the four agencies that are non-competitive, not scored, and/or are accepted on a rolling basis. Bottom-line is that communities that do not have housing certification will be significantly disadvantaged when applying for state funding.

Second, the State is providing up to \$30,000 in technical assistance grants to support the costs of preparing *Community Development Plans*, to be created by

² Krefetz, Sharon, "What are the Latest Trends in Chapter 40B", Clark University, 2000.

individual communities to provide guidance regarding options for future development related to housing, economic and community development, transportation, and open space. A major component of these plans is how the community can produce housing that will be affordable to households across a range of incomes.

Bedford is in the process of preparing a Community Development Plan and has been successful in securing housing certification for both last year and this year based on documented progress on the issue of affordable housing development. However, in year four of Executive Order 418, July 1, 2003 and beyond, the town of Bedford must actually demonstrate *production* of affordable housing to continue to receive housing certification and be in an advantaged position for numerous categories of state funding.

4. *Community Preservation Funding*³

In light of the above three compelling reasons that the town of Bedford must demonstrate actual production of affordable housing, Bedford must secure resources to build this housing. Creating affordable housing is not an inexpensive effort. Fortunately, the town now has a new source of funding for this effort – the Community Preservation Act. The Community Preservation Act requires that at least 10% of the funding must be committed to each of three categories of activities – affordable housing, historic preservation and open space. While some municipalities may determine that one or two of these categories deserve greater attention than the others and fund accordingly, the Town of Bedford's planning effort has produced a Community Preservation Program that supports

³ The Community Preservation Committee is the Town's most recent addition to local governance, charged with the oversight of funds to be raised through Bedford's passage of the Community Preservation Fund through a public referendum on March 10, 2001. Last September former Governor Paul Cellucci and current Acting Governor Jane Swift signed the Community Preservation Act to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute establishes the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax, to be matched by the State based on a funding commitment of approximately \$26 million annually. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established that represents various boards or committees in the community to recommend to the legislative body (Town Meeting) how to spend the Community Preservation Fund.

the three program categories fairly equally. Nevertheless, it will be incumbent on those who are responsible for executing the town's housing agenda to make sure that there are projects in place to utilize this important resource to make sure that local housing needs secure their fair share of Community Preservation Funding.

Bedford plans to produce 100 affordable housing units over a ten-year period using Community Preservation Funds at an estimated \$50,000 per unit in subsidy. Affordable units will be distributed along a range of income levels up to a maximum of 80% of median income and will involve various project types – rental and homeownership and projects for seniors and families. Attachment 8 presents a summary of the proposed plan that is incorporated as part of this Comprehensive Affordable Housing Plan. As the Community Preservation Program indicates, the combination of the current inventory, development proposals currently under review by the Zoning Board of Appeals, projected growth, and the aforementioned 100 units of Community Preservation Fund related development, will result in Bedford reaching 609 units of affordable “subsidized housing” or 11% of its total year-round housing stock by 2011. These projected units are summarized in the following tables that were included as part of the Community Preservation Committee's draft Program:

Town of Bedford Total Housing Inventory Projections Through 2011

Bedford Total Housing	# Units
Total Occupied Housing Units from 2000 Census	4,621
Current Chapter 40B Prospects to be Permitted in 2002	199
Estimated Chapter 40B Permits from 2003 to 2011	100
Estimated New Construction Permits @ 29 Units/Year	290
Projected Affordable Units Produced with Community Preservation Funds 2002-2011	100
Estimated Total Occupied Housing Units in 2011	5,310

Town of Bedford Affordable Housing Inventory Projections Through 2011

Bedford Affordable Housing	# Units
Current Inventory	210
Current Chapter 40B Prospects thru 2002	199
Estimated Chapter 40B Permits 2003-2011	100
Projected Affordable Units with Community Preservation Funding 2002-2011	100
Total Subsidized Units by 2011	609
Total Subsidized Housing Inventory % in 2011	11%

To insure that units are affordable to those earning within 80% of median income, estimated prices for ownership and rental were projected as follows:

For Sale Housing⁴

1-2 Bedroom Detached Units	\$125,000
3 Bedroom Detached Units	\$130,500

Rental Housing (Rents/month)

1-2 Bedroom Units	\$950
3 Bedroom Units	\$1,000

In order to create affordable housing opportunities in Bedford, the town will need to *secure the necessary public subsidies* to fill the gap between the costs associated with producing the housing (acquisition, site/property improvements, construction, legal services, design and engineering services, project administration, financing charges, etc.) and what low- and moderate-income residents can afford. Given the high costs associated with purchasing property in Bedford, unless the project involves Town-owned property, multiple sources of subsidies will be required to make units sufficiently affordable. Also, several key programs have recommended caps in total development costs that could present obstacles to Bedford funding proposals given high acquisition costs. These caps, however, make the development of Town-owned property particularly compelling.

Because the Town of Bedford does not receive funding directly from the federal government on an entitlement basis, the Town will have to apply for such funding. Clearly, the affordable housing resources from the Community Preservation Fund will be extremely helpful as well as Bedford's potential participation in the HOME consortium that will provide federal HOME funding on an annual basis. Nevertheless, these resources by themselves will be insufficient to realize many of the actions charted in this Comprehensive Affordable Housing Plan. The Town will also have to be aggressive in applying for additional housing resources from a range of government agencies, financial institutions and housing organizations. Descriptions of subsidy programs available are included in Attachment 10.

Another important component regarding the implementation of actions prescribed in this Comprehensive Affordable Housing Plan as well as the development of projects included in the Community Preservation Program, relates to professional oversight. It is essential that the Town of Bedford *secure the necessary professional capacity* to undertake its housing program. The Town can accomplish this by adding a new staff person, either full or part-time depending on the job description, with the necessary experience and qualifications to administer funding requirements and guide project development. The best-case scenario would be for the Town to create a new position within Town government, making the new employee accountable to a full-time Town executive. This position could be partially covered by the administrative funding that comes with

⁴ For more detailed information on the derivation of these prices, refer to Attachment 9 – Maximum Affordable Sales Prices and Mortgages.

program subsidies. For example, the HOME Program includes administrative funds of 7% of the total annual allocation. Other programs also include some administrative support. However, it is likely that some amount of Town resources will be needed to help cover the costs of this new position. Another consideration is for the Town to hire consultants to conduct the necessary work of implementing the Town's housing program. Moreover, the Town should also consider the possibility of coordinating housing staff or consultants with other small communities that are embarking on new housing initiatives but also currently lack the necessary capacity regarding professional oversight, such as Lincoln and Belmont.

The development strategies included in the following three Action Plans are guided by the development goals and objectives listed above and those projects summarized in the Community Preservation Program. It is important to emphasize that while this Plan suggests that the Town initially focus its efforts on the Two-Year Plan, the Town should not postpone work on longer-term sites, especially planning and feasibility analyses, since there is typically a long lead time on larger projects. Without significant planning and feasibility analyses it is unclear that the sites included in the Five-Year and Longer-Term Action Plans will be developed within the projected timeframes or even in connection with the Town-sponsored affordable housing program. It is important for the Housing Trust to pursue alternative sites; therefore, each Action Plan also lists other potential development opportunities for serious consideration. Maps of Town-owned priority housing development sites are included in Attachment 11, including Assessor's maps and GIS maps.

Additional information on *assumptions used in the development strategies* listed in each Action Plan include the following:

- Unit projections are best guesses based on very incomplete site condition information.
- Proposed financing is illustrative of the range of project types that will be developed in recognition of wide-ranging affordable housing needs.
- While this Affordable Housing Plan includes privately owned sites, specific information on the owners and locations are purposefully withheld to maintain the privacy of existing owners to the greatest extent possible. This is also why there are no maps of privately owned parcels.
- Development costs, including hard and soft costs for both an illustrative homeownership and rental project, are included in Attachments 12 and 13, respectively.
- Assumptions in determining affordability on affordable homeownership include a 7.0% interest rate with no points; 5% down payment; 30-year fixed-rate mortgage financed through a lender participating in the Soft Second Loan Program for 75% of the purchase price; 20% of purchase price financed with the Soft Second Loan at interest only for 10 years; rent for tenant unit in the two-family house of \$1,000 (75% counted as income for underwriting or \$750); taxes based on \$12.17 per \$1,000 valuation; insurance based on \$1.25 per \$1,000 of combined valuation of dwelling (value x .05), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed); and condo maintenance of \$150 per month.

- Rental projects assume that if the developer chooses not to provide ongoing management, a management company with a proven track record will have to be hired to undertake this important activity.
- The homebuyer selection process for any affordable homeownership units should be centrally administered in Bedford, either through the Bedford Housing Authority or by a staff person or consultant hired by the Town to oversee the application process, pre-qualification process and lottery selection.

V. TWO-YEAR ACTION PLAN

The Two-Year Action Plan focuses on changes in policies, programs and regulations as well as development opportunities that have the potential to be completed within the next two years. The regulatory strategies are recommended because they will help lay the framework for making affordable housing production more feasible through greater resources and zoning reform. These include:

- Join HOME Program Consortium
- Undertake a Comprehensive Review and Revise the Zoning Bylaw to Promote Affordable Housing
- Continue to Capitalize the Housing Trust
- Promote the Creation of Accessory Apartments
- Participate in the State's Soft Second Loan Program

The development strategies involve projects under private ownership that could possibly add more than 40 units to the town's affordable housing inventory and be under construction within the next two years, with some possible occupancy during this period. These projects include:

- Village at Springs Brook
- Duplex Conversion Project
- Condo Buy-down Program
- Blake Block
- East Village

A. Regulatory Strategies

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources in housing creation. To most effectively and efficiently execute the development strategies included in this Plan, reliable information will be required to steer the course, greater flexibility will be needed in the Town's Zoning Bylaw, and new resources will be needed to expeditiously secure control over important development properties and move them forward to completion.

1. Join HOME Program Consortium

Purpose: To secure public subsidies through the HOME Program to help fund affordable housing development. Most affordable housing development projects in Bedford will require multiple sources of public subsidies due to the substantial gap between the costs of development and what low- and moderate-income residents can afford. HOME funds represent a resource that can contribute to the feasibility of many projects.

Timeframe: The earliest that the town of Bedford can receive HOME Program funding is by July 1, 2003. On February 5, 2001, the Board of Selectmen voted to pursue inclusion in the Newton HOME Consortium and a letter to Newton's Department of Housing and Community Development was sent expressing this interest. The Town of Bedford will also have to send a formal letter of interest and accompanying formal resolution approving the town joining the Newton HOME consortium, directed to the Mayor of Newton. The letter should be submitted no later than early January of 2002. The Consortium Council will have to approve Bedford's participation in the consortium by its February meeting to notify HUD by March 1, 2002, the required deadline for adding new communities. This strategy is contingent upon Bedford having a land bridge to another community that is part of the existing Newton Consortium. The Town of Bedford has been in discussion with the Town of Lincoln about also joining the Consortium to provide this necessary geographic link.

Estimated Costs: If Bedford was awarded \$100,000 in HOME funding, it could count on about \$7,000 of that amount to be used for program administration with another \$3,000 earmarked to help cover Newton's costs of managing the consortium. To coordinate the application process, community participation, and planning components; a part-time staff person or consultant should be hired by the Town.

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and
- Assist first-time homebuyers.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income, or \$52,500 for a family of four, and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income (\$42,000 for a family of four), the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income (\$35,000 for a family of four). In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals. For example, the maximum sales price for a single-family home or

condo is \$239,250 and \$306,196 for a two-family home. A locality can petition HUD to increase its maximum sales prices somewhat in high cost areas.

Because Bedford is not an entitlement community, meaning that it is not automatically entitled to receive HOME funding based on HUD's funding formula, the town would need to join a consortium of other smaller towns and cities to receive funding. Nearby consortia include one based in Newton and another in Peabody. Funding in the Newton consortium is divided by formula with a set amount designated for each participating locality to commit within two years and expend within five years. Funding in the Peabody consortium is distributed on an "as ready" basis until all the funds are committed.

The Newton consortium includes Watertown, Brookline, Waltham and Newton. Next year the town of Belmont will be joining the consortium after having applied to become a member last year. Other towns that have recently expressed some interest in participating in the Newton HOME consortium including Needham, Wellesley, Lexington and Lincoln. In order to qualify to be a part of the Newton consortium municipalities must be geographically contiguous to another locality participating in the consortium. Consequently, Lincoln or Lexington's participation is critical to Bedford, as both would provide the essential land bridge. The Board of Selectmen for Lincoln approved the Town's participation in the Newton HOME consortium on September 25, 2001.

This year \$1,170,000 was allocated to the consortium. Brookline received \$405,378, Newton was allocated \$243,619, Watertown received \$183,941 and Waltham \$337,062. If Bedford joined the consortium it would be allocated funding based on HUD's formula, which would most likely be somewhat less than \$100,000 based on this year's funding. Representatives of all participating communities form a Council that meets every other month. It is worth noting that on October 5, 2001, HOME Program administrators throughout the country received notice from HUD that another \$5 billion might be added to the national HOME Program appropriation to be dispersed as a national economic stimulus effort following the September 11th disaster. Consequently, more than \$100,000 in HOME funding may potentially be available to Bedford.

HUD guidelines enable communities to use up to 10% of the funding for administration. Because the City of Newton administers the funding, it receives 3% of this administrative funding with 7% available to support each community's expenses associated with overseeing the program. If Bedford was awarded \$100,000 in HOME funding, it could therefore count on \$7,000 of that amount to be used for program administration with another \$3,000 earmarked to help cover Newton's costs of coordinating the consortium.

Most of the towns participating in the Newton HOME consortium have used the funds to support first-time homebuyer programs. For example, the town of Watertown is using HOME funding to subsidize the acquisition and rehabilitation of two, two-family homes for conversion to affordable condominiums. In addition to the HOME funds, Watertown received state HOME Program funds as well. Newton is using HOME funds to support a mixed-income development in West Newton that includes twenty units - four rental units

to be owned by the Housing Authority for victims of domestic violence, eight market homeownership units and eight first-time homebuyer units. It has also committed HOME funds to a new program to purchase and rehabilitate existing properties, convert the units to affordable condominiums, and to sell the units to first-time homebuyers. Brookline is committing its HOME funds to a first-time homebuyer program that involves a shared appreciation second mortgage from the town.

However, as mentioned above communities can use HOME funding for rental projects, targeting benefits to lower income households than are typically served under homeownership programs. The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. The maximum subsidy per project is \$600,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Those communities that do not receive HOME or CDBG funds directly from HUD can apply for up to \$65,000 per unit. Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Loan Program. All units receiving HOME assistance under this program must be occupied by households earning no more than 60% of median income and affordable to households earning 65% of median income. At least 20% of the HOME units must be affordable to households earning no more than 50% of area median income. Applications for state HOME funding are received and reviewed by DHCD on an as-ready basis through the agency's One-Stop Affordable Housing Finance Application.

As is typically the case with public subsidy programs, regulations present a variety of requirements regarding how to apply for HOME funding and how to maintain it. In order to receive fiscal year 2003 funding that begins on July 1, 2003, which means to essentially fast track the process, Newton would need to receive a formal letter from the Bedford Board of Selectmen and accompanying resolution indicating interest in joining the consortium no later than early January of 2002. The City of Newton has already received a letter from the Town, directed to the Department of Housing and Community Development, stating that the Board of Selectmen approved participation in the HOME consortium on February 5, 2001. The Consortium Council would have to approve Bedford's participation in the consortium no later than its February meeting to notify HUD by March 1, 2002, the required deadline for adding new communities. This notification must come a full year before funds can become available to the Town. Following HUD approval, the City of Newton would amend its Mutual Cooperation Agreement with HUD, formally adding the Town of Bedford to the consortium. Additionally, there would be an agreement between the consortium and Bedford agreeing to basic terms and conditions for receiving and administering HOME funds. Another requirement is that the Town of Bedford would have to undertake a planning effort through the preparation of a Consolidated Plan, which includes a process of defining the range of housing needs and housing strategies to meet these needs with substantial formal input from local citizens. This Comprehensive Affordable Housing Plan and other

documents will be useful in preparing the Consolidated Plan, however, the information must be presented in the required HUD Consolidated Plan format and be completed by May 15, 2003.

An additional requirement in the HOME regulations is that 15% of the funding available to any community be committed to a Community Housing Development Organization (CHDO). A CHDO is a private, nonprofit housing development entity entrusted with the development of affordable housing. CHDOs must satisfy a number of criteria including having one-third of its board members qualify as residents of low- or moderate-income neighborhoods, be low-income community residents or include elected representatives of low-income neighborhood organizations. At this point Bedford has no such organization in place and could either opt to allocate part of its allocation to a CHDO from another community or have the Bedford Housing Trust evolve over time as a development entity to include low-income community representatives. Bedford could also join forces on a development project with a CHDO from another nearby community. For example, WATCH from Waltham is interested in exploring joint venture opportunities in other localities, as is Can Do, a CHDO based in Newton. Moreover, the Women's Institute of Housing and Economic Development has expressed an interest in working with the Housing Trust on a development project. Also, the CHDO has to show one year of serving the community before HOME funds can be reserved for the organization, and it must provide a formal process for enabling low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing. All of these requirements are manageable but involve specific attention devoted to community outreach.

Very importantly, the Town of Bedford has to be able to demonstrate that it has the capacity to carry out the work to be funded by the HOME funding, either through a dedicated staff or a capable consultant. This work includes fund administration and reporting as well as project development work. While the Town could expect administrative funding to support staff work, it would have to provide the necessary funding to support the upfront work of obtaining inclusion in the HOME consortium, such as negotiating with Newton and developing the Consolidated Plan.

2. *Undertake a Comprehensive Review and Revise the Zoning Bylaw to Promote Affordable Housing*

Purpose: To undertake a comprehensive review of the Zoning Bylaw and explore changes that would help promote affordable housing.

Timeframe: The Bedford Housing Partnership, Bedford Housing Trust, Fair Housing Committee, Community Preservation Committee and Bedford Housing Authority should work closely with Town planning staff and Town officials over the next one to two years to make useful changes.

Estimated Costs: The costs associated with staff time and likely consultant fees.

The Town of Bedford has been vigilant in regularly tweaking its Zoning Bylaw in an attempt to keep it current with changing needs. However, several of those contacted through this project suggested that it might be worthwhile to undertake a more comprehensive review of the Zoning Bylaw to insure that the ordinance provides the necessary flexibility and vision for future town development.

The Bedford Housing Partnership, Bedford Housing Trust, Fair Housing Committee, Community Preservation Committee and Bedford Housing Authority should work closely with Town planning staff and Town officials over the next one to two years to make useful changes. There are a number of issues that should be explored in the review of the Zoning Bylaw related to the preservation and development of affordable housing including but not limited to the following:

- *Inclusionary Zoning* – This Affordable Housing Plan recommends that the Town of Bedford adopt an inclusionary zoning bylaw that would insure that any development project over a certain size would include a set-aside in numbers of affordable housing units or cash payments in lieu of units to support the creation of affordable housing. As part of a review of the entire Zoning Ordinance, special attention should be paid to inserting an amendment that will provide the town with the benefits that many of its neighbors are realizing through inclusionary zoning mandates.
- *Multi-family Housing and Large Lot Zoning* – The current Zoning Bylaw does not allow for the as-of-right development of any new housing beyond two units anywhere in town without the need for a special permit, with the exception of mixed-use development in Limited Business districts under specific requirements and under the proposed mixed-use ordinance for industrial areas. Moreover, minimum lot sizes vary from 15,000 square feet to 30,000 depending the zoning district. While this type of large lot zoning may be conducive to maintaining the suburban character of the community, it is also zoning that is exclusionary, making it difficult to build housing that is more affordable to many local residents. This Plan does not recommend any particular revisions to the Zoning Bylaw relating to minimum lot size and multi-family housing, however, these issues should be debated during a comprehensive review of the ordinance with a possible outcome of some relaxation of housing requirements.
- *Cluster Development and Planned Residential Development*
One answer for allowing higher densities in town under some controlled mechanisms was the creation of zoning incentives under Cluster Development and Planned Residential Development, Sections 8 and 9 of the Zoning Bylaw respectively. These provisions offer alternatives to the standard subdivision regulations, and the town should be commended for having the foresight to add them to the Bylaw. Nevertheless, they have not been well utilized, and any comprehensive review of zoning should address possible revisions to add incentives to make these alternatives more viable in the current economic environment.
- *Mixed-Use Development in Commercial Districts* -- In the context of good town planning, the likely location for denser development, certainly for providing

housing for seniors, is in commercial areas and transportation nodes. Looking at density from the center of town outward is a well-regarded strategy in town planning. The current Zoning Bylaw restricts mixed-use development to Limited Business Districts that are targeted to sections of The Great Road. These developments are allowed as-of-right based on specific restrictions. The town does have several of these mixed commercial and residential buildings near the intersection of Carlisle and North Roads. This type of property is well suited to commercial corridors where residential units add to the vitality of the area; provide housing for small households in easy walking distance to goods, services and transportation; and reduce the amount of traffic. Because of these reasons, many communities are exploring mixed-use development as part of the “smart growth” policies that are increasingly gaining favor in suburban and exurban communities. A review of the Zoning Bylaw should thoroughly review the benefits of extending mixed-use development along its commercial arteries or allowing higher density housing in all commercial districts on an as-of-right basis with specific criteria.

In considering the connections between the industrial and commercial areas of town, this Comprehensive Affordable Housing Plan recommends targeting the Depot Park area as a special revitalization area for planned redevelopment into a mixed-use village. Zoning changes will be required and can be inserted as part of this comprehensive review of the Zoning Bylaw, most likely by adding housing as an allowable use in the existing commercial district insuring that new development will complement the surrounding residential area and historic district while appropriately addressing nearby industrial and commercial areas (see Section VII.B.4. for details concerning this recommendation).

- *Mixed-use Development in Industrial Districts* – Mixed-use development is also being considered for the town’s industrial areas through a proposed Zoning Bylaw amendment. This amendment proposes that mixed-use in industrial areas be permitted through the special permit process overseen by the Planning Board. The draft states that the amendment “is intended to create mixed commercial, residential, and open space in areas where the visual and physical dominance of the automobile is made secondary to pedestrian needs; to encourage pedestrian activity by creating a pleasant, rich and diverse experience for pedestrians; to reduce traffic congestion and air pollution by providing opportunities for retail services, housing and employment in close proximity; and to encourage the sharing of parking lots and driveway curb cuts, minimizing the amount of paved parking surface area, and reducing traffic congestion.” Multi-family housing is allowed if at least 25% of the total number of units is affordable to households at or below 80% of area median income. This amendment is being reviewed by Town committees and may go before Town Meeting in the spring. The town should be commended for putting this amendment forward, and it should be approved.
- *Over 55 Housing/Senior Residential Development* – A number of communities in the Commonwealth have adopted or are considering zoning amendments to encourage the development of housing for those over the age of 55 – commonly referred to as over 55 housing or senior residential developments. A review of

Bedford zoning should include the consideration of such an ordinance or look into how the cluster zoning and planned residential development provisions can easily be adapted to these senior developments.

- *Accessory Apartments* – Accessory apartments are allowed in the Zoning Bylaw under Section 4 and are defined as a second dwelling unit located within a structure constructed as a single-family dwelling, subordinate in size to the principal dwelling unit and separated from it, in a manner that maintains the appearance of the structure as a one family unit. The Bylaw allows the development of these accessory units as-of-right if they meet certain requirements (i.e., building permit required, only one accessory unit per property, the accessory unit not to exceed 30% of the gross floor area of the entire property, the property must be at least 1,800 square feet including the basement, the accessory unit can not have more than two bedrooms, the unit must be connected to public water and sewer, there must be an enclosed stairway to maintain the appearance of the single-family home, at least two off-street parking spaces must be made available for the principal dwelling and one for the accessory apartment) to increase the number of small rental units in town, to increase the range of choice of housing in town, to encourage greater diversity of the population with particular attention to young adults and senior citizens, and to encourage a more economic and energy-efficient use of the town's housing supply while maintaining the appearance and character of the town's single-family neighborhoods. There has not been much activity related to accessory apartments, and a number of local leaders contacted through this project suggested that it is necessary to increase the awareness of town residents on the availability of this housing option. Part of this educational campaign would include a study to determine whether homeowners are interested in creating such apartments, why, and what is preventing them from doing so. The decision to create an accessory unit is very personal, depending upon one's particular needs and circumstances, and more information on resident attitudes would be helpful. If both efforts to better inform residents on the benefits of accessory apartments and to obtain information on resident attitudes on the issue suggest changes in the current regulations, the comprehensive review of zoning may want to revise the Zoning Bylaw accordingly, along with providing necessary technical and financial assistance to homeowners if needed.

3. *Continue to Capitalize the Housing Trust*

Purpose: To secure working capital and subsidy funds for the acquisition and development of affordable housing in order to adequately respond to market opportunities as they arise. The development strategies included in this Plan and those described in the Community Preservation Program will also require seed funding to support predevelopment expenditures.

Timeframe: A wide range of resource development activities regarding both private and public resources for affordable housing need to remain a priority until adequate funds are secured.

Estimated Costs: Costs to the Town of Bedford depend on the types and scale of development projects. However, in order to adequately subsidize affordable housing development, some level of Town resources will likely be required as a local match.

Discussions with other communities regarding the success of their affordable housing initiatives indicate that it is critical to have accessible funds available to respond immediately and effectively to housing opportunities as they arise. Also, many of the state subsidy sources look to local matches of funds, either through local HOME Program funding, Community Development Block Grant funds (not available to Bedford on an entitlement basis), Housing Trust money, Community Preservation Funds, donation of Town-owned property, or private donations. In order to insure that the Housing Trust is capable of fulfilling its mission – to investigate and implement alternatives for providing affordable housing – it will need to raise money for project acquisition, project development and program operations. This can be accomplished through a combination of town support and private contributions.

The Town of Bedford has already made impressive headway in securing new resources to support affordable housing production. For example, the Town is the pioneer in the implementation of the *Community Preservation Act*, being the first community in the Commonwealth to approve a property tax surcharge to secure state matching funds in an effort to provide resources for the preservation of open space, historic preservation and affordable housing development. (See Section III.C.4. for details on this funding.) At least 10% of the amount raised in the Community Preservation Fund must be committed to each of the three categories of projects, however, members of the Community Preservation Committee, which will oversee the commitment of this funding, indicated that funding was likely to be spread fairly evenly over time among the three categories. The Town has also accessed *technical assistance funding from the Massachusetts Housing Partnership* to help determine feasibility on several projects and will need more of these resources in the future. The Town also committed \$25,000 in support of the preparation of this Comprehensive Affordable Housing Plan. Additional resources to fund project predevelopment expenses will also have to be raised.

The Town of Bedford has also been successful at negotiating *concessions from private developers* who agree to incorporate affordable housing units into their developments or provide funds to capitalize the Housing Trust to support other affordable housing initiatives. For example, in 1987 the town was involved in the planned residential development (PRD) of 36 townhouse-style units for sale as condominiums as well as the preservation of seven acres on a 10-acre site known as 45 Shawsheen Road. The developer also proposed to set-aside six of these units as affordable, having this affordability managed in perpetuity through the Town of Bedford. These six affordable units became the motivating force for forming the Town's Affordable Housing Committee that shortly after evolved into the Bedford Housing Partnership. The affordability of these six units is targeted to those earning within 150% of the area's median income. Recent sales of the market units ranged from \$229,000 to \$245,000 for the two-bedroom units and more than \$400,000 for the three-bedroom units as opposed to the affordable units that would now sell for approximately \$140,000, currently within the means of someone earning less than \$105,000 a year. Additionally, the Board of Selectmen was successful in gaining financial concessions worth \$365,000 from a private developer when the Town agreed to rezone residential property to industrial for a particular project along Middlesex Turnpike. This funding is being dedicated for future

affordable housing development through the Housing Trust, the first \$25,000 directed to the Duplex Housing Task Force. Another attempt at securing private resources for affordable housing development emanated from a regulation enacted in the 1980's that required private developers to allow the Town to purchase a portion of the development site within an 18-month period (Article 39 of the General Bylaws). The amendment included a formula that specified the amount of land to be considered for acquisition and enabled the Planning Board to select which piece it wanted. The Town has never acquired any property through this provision, primarily because it had to pay market value without any discount for the property and receive Town Meeting approval for each acquisition. For one project the Town agreed to a small payment in lieu of the purchase.

In addition to resources through the Community Preservation Fund and individual project negotiations, the Town of Bedford should consider the enactment of *inclusionary zoning* – as a policy or bylaw – to further endow the Housing Trust. Inclusionary zoning insures that any new development project over a certain size would include a set-aside in numbers of affordable units or cash payments in lieu of units to support the creation of affordable housing. Bedford has a draft zoning amendment under consideration by the Board of Selectmen regarding the inclusion of affordable housing in any mixed-use development built in an industrial area, and this is a good step forward. However, a zoning bylaw that would require affordable units in any project involving residential development, outside of the comprehensive permit projects that already include an affordable housing requirement, would be more far-reaching.

Several nearby communities have up to \$1 million in their coffers to support affordable housing development, acquired through inclusionary zoning. Many communities in the Boston area have realized the benefits of inclusionary zoning through the accumulation of funding to be used, as needed, for investment in affordable housing development efforts. This funding was the result of payments in lieu of affordable units when the developer was unable to include units within the proposed development. While most communities prefer actual affordable units to cash, they recognize how useful it is to have cash on hand with few strings attached. For example, the Town of Lexington accumulated \$1 million through two private developments, enabling the Town to embark on a scattered-site, new construction program on Town-owned properties. Brookline has also received more than \$1 million in payments through its inclusionary zoning bylaw and this past year acquired a property for affordable housing development. The Town of Westwood received \$440,000 in cash, and Watertown raised \$30,000 to conduct preliminary feasibility tests on two properties it is acquiring to convert to affordable condominiums. Cambridge enacted an inclusionary zoning ordinance several years ago and has realized a small steady stream of new affordable units produced. Their ordinance strongly discourages payments in lieu of units. Nevertheless, through a linkage ordinance the city has more than \$600,000 available in its Affordable Housing Trust and another \$3 million to \$5 million anticipated over the next five years. Somerville has almost a half million dollars available in its Affordable Housing Trust, largely from linkage funding.

The Town of Bedford has also been creative in actively seeking opportunities to raise funds for the Housing Trust from *private sector donations*. This has been accomplished

to date through the sale of house pins, the donation of prints that were sold by auction for almost \$3,000, fundraising events such as dinners, and plate offerings from local churches. This process of securing private support not only provides financial benefits to further capitalize the Housing Trust, but also is a vehicle for raising awareness of the affordable housing issue and generating interest and political support for the Housing Trust and affordable housing initiatives. Possible fundraising ideas include the following:

- Explore additional *support from local clergy*. Faith-based affordable housing initiatives are widely viewed as effective, as reported by the organization World Vision.⁵ A specific plan of faith-based action should be developed and proposed to Bedford clergy within the next year. For example, churches could be requested to contact the Housing Trust when considering the sale of any church-owned property prior to putting it on the market. In-kind donations could be made by local churches by involving parishioners in providing housing related services, such as raking the leaves or shoveling snow for the elderly or disabled. Additionally, local congregations can get involved in the Duplex Conversion Project and possible new housing development through Habitat for Humanity. It is likely that Habitat for Humanity would be interested in building housing in Bedford and could work with the Town, Housing Trust, and local churches on locating a Town-owned or donated privately owned lot(s) to build new homes for sale to income eligible first-time homebuyers.
- Attempt to raise money from *private individual donors* through direct solicitations planned very carefully including who makes the request, how it is presented and for what amount of money. Bedford has already realized some success in this area through an individual's donation of two prints that were sold at auction, the proceeds made available to support affordable housing initiatives in town. Donations could be made anonymously or donors could be publicly honored for their support. A private donor could also purchase a property for the Housing Trust, to be repaid for some or all of the investment upon project completion, as was done for a project in Winchester. Also, in Weston a local couple donated part of their property for the development of affordable housing.
- Consider an *annual appeal* through a direct mailing to town residents. The town of Winchester, through a nonprofit organization, receives between \$5,000 and \$10,000 annually through such an effort with a mailing list of approximately 1,200 names.
- Raise local awareness and promote community building around the issue of affordable housing through a variety of *special programs*. For example, the Duplex Housing Task Force's effort to purchase and rehab a duplex property for eventual sale to a first-time homebuyer is meant to provide a vehicle for local residents to provide hands-on support for affordable housing, through sweat equity or some other contribution. Bedford has also experienced some success from *fundraising events* and additional social functions should be organized to benefit the new Housing Trust. Events for consideration include an Affordable

⁵ Shabecoff, Alice. Rebuilding Our Communities: How Churches Can Provide, Support, and Finance Quality Housing for Low-Income Families, World Vision: Monrovia, California.

Housing Day with a town picnic, athletic events, speakers, etc. Alternatively, it might be an evening party sponsored by a local bank or corporation. These events should be particularly directed to the business community. Another option might be to reach out to *students* and engage them in affordable housing related activities from collecting spare pennies to providing services as part of the High School's Community Service Program. Presentations on affordable housing could also be made in schools and reinforced by some activity that allows students to see how their contributions are being spent. Once again, while such efforts might not produce substantial sums of money for affordable housing, they nevertheless raise awareness and personal investment in the issue.

4. *Promote the Creation of Accessory Apartments*

Purpose: To encourage the development of accessory apartments by providing information to town residents regarding their benefits and regulatory requirements, studying resident attitudes on the issue, and exploring means of providing technical and financial assistance if warranted.

Timeframe: The Housing Partnership should designate, within the next year, a committee to work with the Council on Aging and other Town officials on an educational campaign to promote the creation of accessory apartments, including a study of resident attitudes on the issue, the evaluation as to what, if any, constraints may exist to their development and how these obstacles could be best addressed through zoning changes or technical and financial assistance to residents.

Estimated Costs: Volunteers will conduct most of the work, however, some Town staff time is likely in organizing educational outreach on the issue, undertaking research into resident attitudes, and producing and distributing information/materials. If the Housing Partnership committee determines that some level of financial assistance is required to meet important housing needs, the committee will develop recommendations for presentation to the Housing Partnership and then to the Board of Selectmen. These recommendations may involve some technical and financial incentives that would likely require Town resources.

Accessory units are helpful in meeting a number of public policy objectives. First, they enable homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Also, without the flow of income from an accessory apartment, some young families or moderate-income households might not be able to afford homeownership. Second they provide appropriately sized units for growing numbers of smaller households. Third, accessory units are inexpensive ways of increasing the rental housing stock less expensively than new construction and without significant impact on the surrounding neighborhood. And the creation of accessory units does not require additional town services such as streets or utilities or involve the loss of open space. Fourth, tenants in accessory apartments can also provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner, to babysitting for a single parent. Fifth, often referred to as "in-law" apartments, they have offered good opportunities for keeping extended families in closer contact. Sixth, new

accessory units typically generate tax revenue in a locality because accessory units add value to existing homes. Seventh, this past year the Massachusetts House of Representatives allowed several new types of housing units to count toward a community's 10% goal including accessory apartments constructed on or after July 1, 2002, pursuant to a local ordinance or bylaw, and "that is affordable to the occupant" (no definition provided). DHCD will provide a standard definition of accessory apartments that can be counted as low- or moderate-income units. Localities will have to annually certify the affordability of each accessory unit to DHCD.

The Town of Bedford recognized the benefits associated with accessory apartments and amended the Zoning Bylaw to allow them based on the following objectives;

- Increase the number of small dwelling units available for rent in town,
- Increase the range of choice of housing accommodations,
- Encourage greater diversity of population with particular attention to young adults and senior citizens, and
- Encourage a more economic and energy-efficient use of the town's housing supply while maintaining the appearance and character of the town's single-family neighborhoods.

Accessory apartments are defined in Section 4 of the Zoning Bylaw as a second dwelling unit located within a structure constructed as a single-family dwelling, subordinate in size to the principal dwelling unit and separated from it, in a manner that maintains the appearance of the structure as a one family unit. The Bylaw allows the development of these accessory units as-of-right if they meet certain requirements (i.e., building permit required, only one accessory unit per property, the accessory unit not to exceed 30% of the gross floor area of the entire property, the property must be at least 1,800 square feet including the basement, the accessory unit can not have more than two bedrooms, the unit must be connected to public water and sewer, enclosed stairways are required to maintain the appearance of the single-family home, at least two off-street parking spaces for the principal dwelling and one for the accessory apartment must be made available).

Unfortunately, there has not been much activity related to accessory apartments, and a number of local leaders contacted through this project suggested that it is necessary to increase the awareness of town residents on the availability of this useful housing option. This could be done through an insert in the tax bill, postings and scheduled workshops in the town's senior center, an article in the Bedford Minutemen that focused on examples in town, and discussions at other forums. Another suggestion was to arrange training for local contractors on how to do accessory apartments. If a reasonable educational campaign on this issue does not result in any elevated level of interest, the town might look at how other towns are faring with respect to the creation of accessory units.

Part of this educational campaign could also include a study to determine whether homeowners are interested in creating such apartments, why, and what is preventing them from doing so. The decision to create an accessory unit is very personal, depending upon one's particular needs and circumstances, and more information on resident attitudes

would be helpful in determining what, if any, changes may be warranted in the existing regulation. If both efforts to better inform residents on the benefits of accessory apartments and to obtain information on resident attitudes on the issue suggest changes in the current regulations, the comprehensive review of zoning may want to revise the Zoning Bylaw accordingly, along with providing necessary technical and financial assistance to homeowners to spur accessory unit conversions. Such assistance could include technical workshops and individual counseling from the Building Department on requirements, plans and costs; tax relief for some period of time such as an amnesty period that no new taxes would be levied despite an increase in assessed value with the accessory unit or even a tax reduction; and a subsidy to cover a portion of the costs of creating the accessory unit.

5. *Participate in the State's Soft Second Loan Program*

Purpose: To provide first-time homebuyers in Bedford with the affordable mortgage financing option of the state's Soft Second Loan Program.

Timeframe: During the next year a committee of the Housing Partnership or Housing Trust should be designated to insure Bedford's participation in the Soft Second Program. The committee should hold discussions with Cambridge Savings Bank and other lenders concerning their interest in processing mortgages in connection with the state's Soft Second Loan Program and apply to the state at the earliest convenient funding round.

Estimated Costs: This program does not involve any significant outlay of local funds as most of the administrative work in connection with the Program is coordinated by the Massachusetts Housing Partnership Fund and participating banks. The state application is very straightforward and easy to prepare, however, some Town staff participation in this application process is likely.

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the *Soft Second Loan Program* to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Purchase price limits are \$180,000 for a condominium or single-family home, \$225,000 for a two-family home and \$270,000 for a three-family property. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 75% of the purchase price, the soft second mortgage for 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of a 5% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Local governments and community-based organizations are typically involved in the program through homebuyer counseling and training programs, and while this is not

essential, it would be beneficial to program participants to have access to such counseling sessions that are conducted by a local bank or nearby nonprofit organization. This would require very little effort on the part of the town, just the need to identify ongoing efforts in fairly close proximity to Bedford and to formalize linkages and referrals to these programs for program participants, largely through participating bank(s).

The state's Department of Housing and Community Development issues a Notice of Fund Availability approximately twice a year that municipalities can respond to if they wish to participate in the Soft Second Loan Program. The Town must submit a letter of interest to DHCD, signed by the highest elected official, that explains how the program would work in the locality, states that the town has talked to the Massachusetts Housing Partnership Fund and understands the program, commits to providing homebuyer education from a nonprofit organization, indicates a willingness to market the program to some degree to local residents, and offers letters of support from local banks regarding their willingness to provide mortgages through the program in Bedford. Following an award letter to the Town, there is very little administrative oversight required of any participating municipality as the responsibility is primarily invested in MHP and local participating banks.

While the costs of purchasing a home in Bedford are typically outside of the Soft Second Loan Program limits, there are still some small homes in Bedford where the purchase prices are still below the program maximums. Moreover, those homeownership projects sponsored by the Bedford Housing Trust are likely to benefit from the availability of more affordable mortgages. Such projects could include a Duplex Housing Task Force initiative or the purchase and refinancing of the affordable Shawsheen Ridge condominiums in the short-term. Also, existing affordable units at Shawsheen Ridge and Bedford Meadows would be likely candidates for such financing.

B. Development Strategies

Those projects included in the Two-Year Action Plan include efforts that are already in the planning stage. Housing development takes time and the process of bringing a project to construction typically takes more than a year, often several years when multiple layers of subsidies are required, when site control issues become problematic, and when multiple regulatory approvals are necessary. Therefore, the projects included in the Two-Year Action Plan are those that can potentially be under construction by the fall of 2003 and include the Village at Springs Brook, the conversion of a duplex into affordable condominiums through the Duplex Conversion Project, the acquisition of condominium units to be resold with deed restrictions through the Condo Buy-down Program, the potential redevelopment of the Blake Block, and the development of rental housing on the corner of Great Road and Lane Avenue (East Village Project).

1. Property 1 (Village at Springs Brook) – Mixed-income Rental Project (Massachusetts Housing Partnership Fund's Permanent Plus Program with private financing and Community Preservation Funds)

Project Description: The Housing Partnership has been working with the Veterans Administration on a 1.2-acre site that currently includes a parking lot

and fields. With MHP technical assistance funding the Housing Partnership has hired a consultant to prepare a business plan that will describe the development of housing on this site, referred to as the Village at Springs Brook. Of the ten rental units under consideration for this development, at least four would be financed as affordable. Current plans are to construct three separate buildings for the project. Financing for the project is expected to include private construction financing from Cambridge Savings Bank and the Massachusetts Housing Partnership's permanent mortgage financing through an enhanced Permanent Plus Program. The Community Preservation Fund has been identified to provide necessary gap financing in a projected amount of \$300,000.

Timeframe: It is expected that the business plan will be submitted by mid-November to the Housing Trust, which will then deliver it to the Veterans Administration. This plan must be sent to VA headquarters in Washington, D.C. for approval before the VA can convey the property to the Town of Bedford on a sole source basis. The VA is not allowed to sell its property but will provide a long-term lease at favorable terms. It is estimated that this VA approval process will take as long as three to nine months. Following this arduous property disposition process when site control is secured, the Town should prepare a Request for Proposals to bring in a builder/developer to finalize plans and costs, secure all required financing, obtain regulatory approvals and begin construction. If VA approval is secured by early summer of 2002, the project should be able to begin construction by spring of 2003.

Estimated Costs:

Uses		Sources	
Acquisition Costs	\$0	Permanent Loan	\$300,000
Hard Costs (\$110)	\$1,100,000	MHP	\$800,000
Soft Costs	\$ 300,000	CP	\$300,000
Total	\$1,400,000	Total	\$1,400,000

Total Development Costs/Unit = \$140,000

Total Subsidy/Unit = \$30,000 (Community Preservation Funds)

Development Goals and Objectives Achieved: Target development projects to those areas of town most accessible to transportation, goods and services to minimize further traffic congestion (MBTA bus service through VA campus); look to areas of town that could accommodate higher housing densities such as industrial, commercial or other primarily nonresidential areas; and look for opportunities to obtain land or other resources for free or at below market values or from owners who are sympathetic to affordable housing issues.

2. *Duplex Conversion Project – Affordable First-time Homeownership (Project financed through sales and multiple sources of subsidies including the Community Preservation Fund)*

Project Description: The Bedford Housing Trust has been exploring the option of purchasing a two-family home, making the necessary moderate improvements and converting it to affordable condominiums with deed restrictions to insure long-term affordability. Since the spring of 2000, the Housing Trust designated a Duplex Housing Task Force to coordinate the necessary arrangements to make

this purchase/rehab project a reality, acquiring its first house in 2001. The Task Force envisions this project not only as a means to create more affordable housing in town, but also as a way of building community around the issue of helping others.

To date, more than \$25,000 has been raised from community donations, and the Bedford Housing Trust committed another \$25,000 from an advance of the \$365,000 commitment made to the Housing Trust by The Gutierrez Companies as part of the negotiations for the development of their 79-acre commercial project along the Middlesex Turnpike. This funding will be used for the down payment to acquire a two-family house. The Town is also conveying an undersized Town-owned vacant parcel at 9 Houlton Street to the Housing Trust to be used as collateral in project financing. The Duplex Task Force anticipates selling each condo for \$118,780 making the units affordable to families earning less than \$50,000 annually. Assuming a property acquisition price of \$350,000 and development costs of \$225,000, there is a total of \$575,000 in project costs. Assuming combined sales prices of \$237,560, there is a gap of almost \$337,440, or \$168,720 per unit requiring program subsidies from a variety of sources such as The Gutierrez Companies commitment and the Community Preservation Fund. The Town is in the final stages of conveying 9 Houlton Street to the Housing Trust, and the Task Force should be in position in the very near future to acquire its first two-family house. A likely source of two-family units is Bedford Gardens, however, the Task Force will look throughout town for the best deal it can negotiate. Certainly the future acquisition of a number of properties packaged in one development project should be strongly considered.

Timeframe: Assuming that the Duplex Task Force acquires a property in early 2002, interior repairs could begin this winter and exterior improvements could be made this spring for early summer occupancy. The Duplex Task Force will need to determine the specifications and costs associated with the necessary repairs and close on construction financing in early 2002. If significant sweat equity will be built into the project, the Task Force must insure there is adequate construction supervision and provide necessary coordination. The Task Force will also have to establish a marketing/outreach effort, application process and pre-qualification process for interested purchasers as well as a lottery system to select the new first-time homebuyers.

Estimated Costs:

Uses		Sources	
Acquisition Costs	\$350,000	Sales	\$237,560
Hard Costs	\$125,000	Subsidies	\$200,000
Soft Costs	\$100,000	CP	\$137,440
Total	\$575,000	Total	\$575,000

Total Development Costs/Unit = \$287,500

Total Subsidy/Unit = \$168,720 (Community Preservation Funds and other sources)

Projected sales price = \$118,780 (affordable to someone earning approximately \$47,500 annually based on participation in the state's Soft Second Loan Program and other assumptions included in Section IV.)

Development Goals and Objectives Achieved: Look for affordable housing opportunities that will make few changes to the built or natural environment such as the refinancing of existing housing or the creation of accessory apartments.

3. *Condo Buy-down Program – Affordable First-time Homeownership (Financing from sales and the Community Preservation Fund)*

Project Description: In September of 1986, John Callahan, a Trustee of Meadowbrook Realty Associates, and Michael Callahan and William Callahan applied to the Bedford Planning Board for a special permit to construct a planned residential development (PRD) on a 10-acre site known as 45 Shawsheen Road. Built in 1987, the project involved the development of 36 townhouse-style units for sale as condominiums as well as the preservation of seven acres of open space. The developer also proposed to set-aside six of these units as affordable, having this affordability managed through perpetuity through the Town of Bedford. In fact these six affordable units became the motivating force for forming the Town's Affordable Housing Committee that shortly after evolved into the Bedford Housing Partnership. The affordability of these six units is targeted to those earning within 150% of the area's median income. Recent sales of the market units ranged from \$229,000 to \$245,000 for the two-bedroom units and more than \$400,000 for the three-bedroom units as opposed to the affordable units that would now sell for approximately \$140,000, currently within the means of someone earning approximately \$105,000 per year. Unfortunately, at the time of this development the state had no mechanism in place to allow affordable units, created without state or federal subsidies, to be counted as part of the 10% standard. Subsequently, the state established the Local Initiative Program that would allow units that are made affordable through internal subsidies to be counted if they are processed through a comprehensive permit and receive DHCD technical assistance.

This program involves purchasing market rate or restricted units (those units set-aside at the Shawsheen Ridge project as affordable) as well as potentially other condominium units in Bedford, subsidizing the units to affordable prices, and selling them to qualified families with requisite deed restrictions to protect long-term affordability and to enable the units to be included in the town's affordable housing inventory. Community Preservation Funds will be used to fund the gap between market or restricted prices and affordable sales prices. DHCD's Local Initiative Program will allow units that are made affordable through Community Preservation fund subsidies to be counted if they are processed through a comprehensive permit and receive DHCD approval and technical assistance.

Timeframe: Funding for this project will start immediately and proceed incrementally as units become available. When a condo is placed on the market the Housing Trust will acquire it, apply to participate in DHCD's Local Initiative Program, make any necessary improvements and resell the unit with appropriate

deed restrictions to income eligible purchasers. The Housing Trust will insure that the unit remains affordable in perpetuity and is counted as part of Bedford's affordable housing inventory. The Housing Trust will also have to establish a marketing/outreach effort to attract eligible purchasers, manage an application and pre-qualification process for interested purchasers, as well as coordinate a lottery system to select the new first-time homebuyers.

Estimated Costs 1: Based on the acquisition of six market rate condominiums, the estimated costs are as follows -

Uses		Sources	
Acquisition Costs	\$ 1,650,000	Sales	\$712,680
Hard Costs	\$15,000		
Soft Costs	\$15,000	CP	\$967,320
Total	\$1,680,000	Total	\$1,680,000

Total Development Costs/Unit = \$280,000

Total Subsidy/Unit = \$161,220 (Community Preservation Funds and other sources)

Projected sales price = \$118,780 (affordable to someone earning approximately \$47,500 annually based on participation in the state's Soft Second Loan Program and other assumptions included in Section IV.)

Estimated Costs 2: Based on the acquisition of six affordable condominiums, such as those at Shawsheen Ridge, the estimated costs are as follows -

Uses		Sources	
Acquisition Costs	\$ 840,000	Sales	\$712,680
Hard Costs	\$15,000		
Soft Costs	\$15,000	CP	\$157,320
Total	\$870,000	Total	\$870,000

Total Development Costs/Unit = \$145,000

Total Subsidy/Unit = \$26,220 (Community Preservation Funds)

Projected sales price = \$118,780 (affordable to someone earning approximately \$47,500 annually based on participation in the state's Soft Second Loan Program and other assumptions included in Section IV.)

** Ideally, the project will involve primarily the affordable units, resulting in a considerable savings of Community Preservation Funds required. However, some combination of affordable and market rate units may be likely.

Development Goals and Objectives Achieved: Look for affordable housing opportunities that will make few changes to the built or natural environment such as the refinancing of existing housing or the creation of accessory apartments.

4. *Blake Block – Mixed-use Residential/Commercial Project/Rental Housing (Project to be financed privately and may be processed through a comprehensive permit as part of the Local Initiative Program)*

Project Description: Planning is underway for the rebuilding of what has been referred to as the Blake Block, located on Great Road between Springs and Fletcher Roads. A plan for the redevelopment of this property was brought before Town Meeting last March, where it was denied by a very small margin. While most Bedford residents perceive a need to improve this block, debate continues

over the size and overall character of any redevelopment effort. The owners of the property, Bruce and Dotty Blake, are currently considering alternative development plans, and representatives from the Town and abutters had been meeting regularly to come to some agreement on the design and scale of the project and regulatory process. These meetings stopped due to a lack of progress, however, several development strategies had been discussed. First, the entire property, including the wooded lot, parking and building could be rezoned through one approval process. The new building development along Great Road could include commercial uses on the ground floor with housing above, including affordable housing. The second alternative is to process the project in two parts, with commercial on the front part of the site and housing on the rear, to be developed through a comprehensive permit through the Local Initiative Program allowing somewhat higher density.

More recently, the Blakes have proposed another project involving the residentially zoned 25,000 square foot parcel that they own along Springs Road behind their commercial building. The Blakes are proposing twelve to sixteen units of rental housing in one building, reminiscent of an old inn. The project would be processed through the Local Initiative Program (LIP) with an affordable component and market rate rents below typical market rents for new rental units.

Timeframe: If the owner and Town representatives come to some agreement regarding an appropriate plan for the mixed-use property, the owner will be able to finalize plans and costs, secure necessary regulatory approvals and financing and begin construction probably within the next year. If however the owner and Town are unable to agree on the plan for the development, the owner will have to wait two years before he can bring the project to Town Meeting for approval. The recently proposed residential project could proceed quickly, with the Blakes preparing plans and specifications over the next several months, obtaining necessary approvals and financing, and beginning construction within the year.

Estimated Costs: There is no agreed upon plan on which to estimate costs as of yet for the mixed-use component, and the Blakes are currently preparing plans to cost-out the residential piece.

Development Goals and Objectives Achieved: Target development projects to those areas of town most accessible to transportation, goods and services to minimize further traffic congestion; insure that development projects will complement existing historic districts; and look to areas of town that could accommodate higher housing densities such as industrial, commercial or other primarily nonresidential areas.

5. *East Village (Great Road and Lane Avenue) -- Mixed-income Rental Project (To be privately financed; project proposed to be developed through Chapter 40B comprehensive permit process through the state's Local Initiative Program.)*

Project Description: Another recent project has been proposed as a potential comprehensive permit through the Local Initiative Program (LIP) involves Great Road between Lane Avenue and Loomis Street. This site, due to its proximity to transportation and other services along Great Road, has been explored as a

possible affordable housing site multiple times in the past. James Barr recently purchased the property for development of a single-family home for which the parcel is zoned. However, Mr. Barr discovered that the project was infeasible for single-family development given the relatively high acquisition price. He subsequently prepared a conceptual plan for the development of six rental units on the site and presented these plans before the Bedford Housing Partnership, looking for feedback and some indication of general support for the LIP proposal. The Housing Partnership gave Mr. Barr the initial go-ahead to begin pursuing the project through LIP and further suggested that Mr. Barr look into increasing the density somewhat. Based on eight new units of housing in the project, at least two of the units would have to be affordable and would be eligible for inclusion in the town's affordable housing inventory.

Timeframe: If the owner pursues this project diligently, develops plans and costs that will be acceptable to the Town and local community, secures the necessary financing, and obtains the required local (comprehensive permit) and state approvals (required to participate in the Local Initiative Program), he could conceivably realize a construction start within a year's time.

Estimated Costs: The owner is currently preparing plans and cost estimates.

Development Goals and Objectives Achieved: Target development projects to those areas of town most accessible to transportation, goods and services to minimize further traffic congestion; look to areas of town that could accommodate higher housing densities such as industrial, commercial or other primarily nonresidential areas; and try to create small mixed-income communities for rental projects of 8 or more units in any one location.

VI. FIVE-YEAR ACTION PLAN

The Five-Year Action Plan suggests a zoning amendment to the Zoning Bylaw to allow Senior Residential Developments (also known as Over 55 Housing), which does not require immediate attention but should be added within the several years as an additional affordable housing tool that the town might want to promote given the pressing need for affordable housing alternatives for seniors. The affordable housing projects included in this Action Plan project another approximately 34 units of new affordable housing. The develop strategies are largely focused on Town-owned property that involve some significant obstacles for resolution. It is likely that one or two of these projects may not be feasible within the five-year timeframe and three privately owned sites are also offered as reasonable alternatives. These projects include:

- 190 Springs Road
- 34 Fayette Road
- 447 Concord Road
- Three privately owned sites as alternatives

A. Regulatory Strategies

1. *Enact a Zoning Amendment to Allow Senior Residential Developments*

Purpose: To promote an attractive housing alternative for a maturing population and to enable this population to remain in town. There is a demonstrated need for increased housing options for the town's seniors.

Timeframe: The zoning amendment could be drafted and passed during the next several years to enable the Town to secure interest from potential developer(s) for a project to be in place by 2005.

Estimated Costs: It is likely that a senior residential community can be developed at market prices without any significant outlays of local resources. However, it would be advantageous to consider the use of internal subsidies to create some affordable units within the project or the infusion of other subsidies to establish a greater mix of incomes.

There are compelling reasons for communities to create enclaves of new single-family housing that specifically address the needs of senior citizens. Such new developments are now generally referred to as Senior Residential Communities (aka Over 55 Housing). Other municipalities have enacted ordinances to provide guidelines for these projects and to enable such development to occur. The purpose of these developments is to promote alternative housing for a maturing population that accomplishes the following:

- Reduces residents' hardships regarding property maintenance as such work becomes the responsibility of the development (Homeowners Association) supported by monthly maintenance fees.
- Reduces demands on municipal services as residents do not have young children to send to local schools.
- Promotes flexibility in land use planning to improve site layouts, safety, protection of natural amenities and environmental concerns, and utilization of land in harmony with neighboring properties. Ordinances typically involve a zoning overlay that releases the project from the typical dictates of existing zoning.
- Allows seniors to live in close proximity to each other, enjoying shared recreational amenities.
- Opens-up housing opportunities for families looking for larger homes that become vacated when seniors relocate to the new development.
- Enables seniors who are significantly over-housed and over-taxed by the financial demands of larger homes to find alternative housing within the town at a more affordable cost.

Key components of ordinances pertaining to senior residential developments include the following:

- The proposed site contains at least five acres;
- The housing is individually owned by at least one person who is 55 years of age or older and no more than one person who is under 55 years of age;

- The site is reasonably protected from traffic;
- All open space parcels, together, are not less than 30% of the total project area and serve passive recreational purposes with wetlands qualifying as open space;
- The open space areas are contiguous and have at least 20 feet of handicapped accessible frontage on each right-of-way and an internal drive to conserve large blocks of undisturbed land;
- There is a maximum of five to ten dwelling units per acre;
- There is a maximum number of bedrooms per dwelling unit of two;
- Dwellings may be provided as detached single units or attached in groups of several units located side-by-side.
- Each dwelling unit includes one exterior parking space;
- Maximum building height is one story, however, 2 story units may be allowed in exchange for providing smaller building footprints for dwellings;
- No more than 20% of the maximum number of allowable dwelling units can have less than two bedrooms;
- The positions of the buildings must be staggered at a minimum of 10 feet along each right-of-way, preferably in a non-regular pattern;
- Attached garages are allowed on individually-owned parcels but not storage-type sheds;
- Clubhouses, swimming pools, tennis courts, cabanas, sitting areas, gazebos, trellises, walking paths, planters, community gardens, storage and maintenance structures are allowable and can be calculated as part of the open space requirement;
- All buildings must be developed to be architecturally harmonious but with variations in façade, roof lines and interior layouts;
- Landscaped buffers along the periphery of the development;
- Rights-of-way and utility services will be considered as private;
- A Homeowners Association will be responsible for maintaining the common areas to be funded by fees from residents; and
- Approval of the development will be processed through a special permit and site plan review.

The Town of Bedford should consider drafting such an ordinance during the next several years to secure interest from potential developer(s) and have a project on line by 2005.

B. Development Strategies

Those development opportunities included in the Five-Year Action Plan relate to projects that meet many of the development goals and objectives listed above in Section IV. and can go into the planning stage within the next several years to be completed prior to the end of 2006. Unit projections are best guesses based on very incomplete site condition information, and the proposed financing is illustrative of the range of project types that will be developed in recognition of wide-ranging affordable housing needs. These projects are also summarized in the Town's Community Preservation Program and include the following:

1. *190 Springs Road – Mixed-income Rental Project (To be financed through private lenders with subsidies from the Community Preservation Fund and other sources.)*

Project Description: 190 Springs Road is a Town-owned parcel and includes Department of Public Works storage garages. The parcel also has wetlands, an unbuildable knoll, and a deed restriction requiring recreational use that would have to be reversed through a string of local, state and federal approvals. Nevertheless, because of its size, 355,000 square feet, the Town should thoroughly review the potential for new housing development. This parcel could accommodate both rental and homeownership; however, a proposed development option is the production of 15 rental units with at least 25% affordability.

Timeframe: The Housing Trust is hiring a consultant to undertake a feasibility analysis with technical assistance funding from the Massachusetts Housing Partnership Fund. If the project is determined to be feasible, the Housing Trust will solicit interest from qualified developers through a Request for Proposals to undertake the development project, completing plans and budget, financing applications, and construction. The Town would transfer ownership of the site to the developer for eventual lease back or sale to the future ownership entity.

Estimated Costs:

Uses		Sources	
Acquisition Costs	\$ 0	Perm Loan	\$750,000
Hard Costs	\$1,500,000	Subsidy	\$750,000
Soft Costs	\$750,000	CP	\$750,000
Total	\$2,250,000	Total	\$2,250,000

Total Development Costs/Unit = \$150,000

Total Subsidy/Unit = \$100,000 (Community Preservation Funds and other subsidies)

Development Goals and Objectives Achieved: Target development projects to Town-owned properties to take advantage of parcels that will have discounted or nominal acquisition costs.

2. *34 Fayette Road – First-time Homeownership (To be financed through a private construction loan and permanent mortgages, subsidized by the Community Preservation Fund. This may also be an excellent site for development through Habitat for Humanity.)*

Project Description: This parcel is owned by the Town and is located in a neighborhood where neat, small homes predominate. A first-time homebuyer project with four affordable new homes would fit in well with the surrounding properties. The Land Evaluation Committee of the Housing Trust listed the site as somewhat promising as it is relatively small, 30,517 square feet, and is currently being used for a playground.

Timeframe: The Housing Trust should evaluate the use and condition of the playground and have discussions with neighborhood residents concerning their disposition to putting new homes on the site. If there is support for an affordable homeownership project, the Housing Trust should solicit interest from qualified developers through a Request for Proposals to undertake the development of the

new homes, completing the feasibility analysis, plans and budget, financing applications, and construction. The Town would transfer ownership of the site to the developer for eventual sale to new first-time homebuyers. The Housing Trust will also have to establish a marketing/outreach effort to attract eligible purchasers, manage an application and pre-qualification process for interested purchasers, as well as coordinate a lottery system to select the new first-time homebuyers. The other option is to reach out to Habitat for Humanity to determine the level of interest in building housing sponsored by this organization in coordination with area churches.

Estimated Costs:

Uses		Sources	
Acquisition Costs	\$ 0	Home Sales	\$418,000
Hard Costs	\$400,000	Subsidy	\$0
Soft Costs	\$200,000	CP	\$182,000
Total	\$600,000	Total	\$600,000

Total Development Costs/Unit = \$150,000

Total Subsidy/Unit = \$45,500 (Community Preservation Funds, HOME funds)

Purchase Price = \$104,500 (affordable to someone earning approximately \$28,000 annually based on participation in the state's Soft Second Loan Program and other assumptions listed in Section IV.)

Development Goals and Objectives Achieved: Target development projects to Town-owned properties to take advantage of parcels that will have discounted or nominal acquisition costs.

3. *447 Concord Road – Mixed-income Rental Project (Financed through a private lender, the Community Preservation Fund and other sources of public subsidies such as potentially local and state HOME, Affordable Housing Trust.)*

Project Description: – The Town of Bedford owns this parcel, and while it presents some challenges, it represents a compelling development opportunity given its size. As part of the preparations of the 1989 Housing Authority Inventory, the Massachusetts Historic Commission was asked to inspect the site for potential Native American artifacts. This site visit was inconclusive, although the Commission indicated that it looked like some of the land had been disturbed long ago for some reason. The parcel, with 191,664 square feet, has limited access to Concord Road and slopes down from Concord Road quite a bit. It is also wet at the rear of the property along the railroad bed. Nevertheless, the site shows quite a significant potential for development, particularly if combined with 445 Concord Road that is currently on the market. The addition of this adjacent site not only adds land to accommodate more units, but also improves the access to Concord Road and the existing sewer line. The parcel at 445 Concord Road includes an old house. It would be useful to secure a further evaluation of the possible archeological implications of the site as soon as possible. This project could be rental or homeownership, however, one proposed alternative would be to produce 15 units of rental housing with at least 25% affordability. There have been some concerns surfaced about this site's proximity to the Avalon Bay and

Princeton Properties proposed 40B projects regarding issues of cumulative impact on this part of the town.

Timeframe: The Housing Trust should contact the Massachusetts Housing Partnership Fund to seek technical assistance funding to determine project feasibility including the costs and benefits of purchasing the adjacent property. Assuming that an affordable housing project is feasible on the site, the Housing Trust should solicit interest from qualified developers through a Request for Proposals to undertake the development project, completing the feasibility analysis, plans and budget, financing applications, and construction. The Town would transfer ownership of the site to the developer for eventual lease back or sale to the future ownership entity.

Estimated Costs: The following costs assume the development of only the Town-owned parcel at 447 Concord Road.

Uses		Sources	
Acquisition Costs	\$ 0	Permanent Loan	\$750,000
Hard Costs	\$1,500,000	Subsidy	\$750,000
Soft Costs	\$750,000	CP	\$750,000
Total	\$2,250,000	Total	\$2,250,000

Total Development Costs/Unit = \$150,000

Total Subsidy/Unit = \$100,000 (Community Preservation Funds and other sources)

Development Goals and Objectives Achieved: Target development projects to Town-owned properties to take advantage of parcels that will have discounted or nominal acquisition costs.

Other potential development sites that should be explored as alternatives to the sites described above include:

- *Property 2* – These two sites are contiguous, one with approximately 235,000 square feet and another small lot of 26,000 square feet without any existing buildings. An elderly couple owns both parcels. The Housing Trust should contact the owners to indicate its interest in potentially purchasing the parcels with the intention of building housing. Depending upon the owners' response, the Trust might propose an arrangement to give the Trust the right of first refusal when the owners decide to sell.
- *Property 3* – This property includes an historic house, a large barn and open space that could potentially accommodate all three of the missions of the Community Preservation Fund – to create greater opportunities for open space, historic preservation and affordable housing. Both the house and barn are deteriorating and would require substantial repairs. The property is currently on the market for more than a \$500,000 asking price that would have to be negotiated.
- *Property 4* – This long parcel has more than 500,000 square feet and involves a little farm along the railroad bed, including an occupied house. There are some wetlands. A potential development configuration would be to subdivide the property to include the house and wet area as one parcel, with the other portion of the site developed as affordable housing.

VII. LONGER-TERM ACTION PLAN

The Longer-Term Action Plan presents strategies that will take more time to implement given the amount of lead time that is required to resolve issues with specific properties. In regard to regulations, this Action Plan suggests that the Town, over the long-term, monitor the status of the Bedford Village project to insure that the project remains affordable despite the possibility of an expiring rental agreement. The development strategies that are included involve potentially several hundred new units of affordable housing in the following projects:

- 15 Pine Hill Road
- 131 Shawsheen Road
- An 130,000 square foot privately owned parcel along Elm Brook
- The redevelopment of Depot Park
- Refinancing and improvement of an existing development project
- Alternatives sites at 70 Pine Hill Road, in industrial zones, within the Middlesex Community College campus, as part of an existing condominium project, and other parcels with current use restrictions.

A. Regulatory Strategies

1. Protect the Long-term Affordability of Expiring Use Projects

Purpose: To monitor the status of the Bedford Village project and to intervene if necessary to maintain the long-term affordability and habitability of almost 100 units of housing.

Timeframe: Ongoing staff or volunteer time of Housing Partnership members to monitor the status of the Bedford Village project to insure that the owner is not planning to prepay the mortgage and terminate the rental agreement that maintains affordability. In such a case, further Town resources as well as other sources of financing may be required to refinance the project to protect affordability and make necessary improvements. Additionally, prior to the expiration of the rental agreement in 2018, an agreement needs to be negotiated with the current owner to either sell the project to another entity, either nonprofit or for profit, which will be willing to purchase and improve the project with insurances of long-term affordability or to refinance and voluntarily maintain the affordable component.

Estimated Costs: Town resources, in addition to other state and federal funds, will likely be required if the current developer decides to prepay the existing mortgage or when the current rental agreement expires in 2018 to protect long-term affordability.

It is important for the town of Bedford to increase its affordable housing inventory, but it is essential that the town insure that units that fall within its current inventory remain affordable, in perpetuity if possible. Perhaps the project most at risk of losing affordable units over time is the Bedford Village project.

Bedford Village is a private development built in the 1970's on Dunster Road as part of a comprehensive permit that was financed by the Massachusetts Housing Finance Agency, making all 96 units affordable under the state definition and providing a sizable portion of the town's affordable housing inventory. The project includes 24 low-income units, 48 moderate-income units and 24 market rate units, primarily for families. Bedford Village was designed as a small community with townhouse-style apartments. The rental agreement that keeps the units affordable is due to expire in 2018, and therefore the project can be referred to as an expiring use project. However, in many cases, after 20 years the developers are allowed to prepay the government subsidized mortgages and refinance their project. When this occurs the rental agreement expires and the units can be rented on the private market at significantly higher rentals than those allowed in the rental agreements based on HUD's Fair Market Rents.

The town needs to closely monitor this project, likely as part of the work being conducted by the Housing Partnership. If the owner decides to prepay the mortgage and terminate the rental agreement, further Town resources may be required in addition to other sources of financing to refinance the project to protect affordability and make necessary improvements. Additionally, prior to the expiration of the rental agreement in 2018, an agreement needs to be negotiated with the current owner to either sell the project to another entity, either nonprofit or for profit, which will be willing to purchase and improve the project with insurances of long-term affordability, or to refinance the project and voluntarily maintain the affordable component.

B. Development Strategies

The development opportunities included in this Longer-Term Action Plan relate to projects that meet many of the development goals and objectives listed in Section IV but require more significant lead time to conduct project planning and feasibility analyses, obtain site control, attract interested and qualified developers, secure regulatory approvals and bring the project to construction. The Housing Trust should begin discussions regarding these development strategies and work with other Town officials and housing and development professionals to determine priorities and begin project planning. Most of these projects represent development opportunities that will be completed between 2006 and 2011, however, there are several projects listed that are likely to take longer because of deed restrictions or other obstacles. Once again, unit projections are best guesses based on very incomplete site condition information, and the proposed financing is illustrative of the range of project types that will be developed in recognition of wide-ranging affordable housing needs. Several of these projects are also summarized in the Town's Community Preservation Program.

1. 15 Pine Hill Road – First-time Homeownership (To be financed through private construction loan and permanent mortgages, subsidized by the Community Preservation Fund and the Federal Home Loan Bank Board's Affordable Housing Program)

Project Description: The parcel at 15 Pine Hill Road, with 145,926 square feet, abuts the Town-owned property at 190 Springs Road and also may have a

considerable amount of wetland. Because it is a Town-owned parcel, all efforts should be made to investigate its potential for affordable housing production. While this site could accommodate homeownership and rental, this proposal suggests 15 units of housing for first-time homebuyers, all to be affordable.

Timeframe: The Housing Trust will solicit interest from qualified developers through a Request for Proposals to undertake the development project, completing the feasibility analysis, plans and budget, financing applications, and construction. The Town would transfer ownership of the site to the developer for eventual lease back or sale to the future ownership entity.

Estimated Costs:

Uses		Sources	
Acquisition Costs	\$ 0	Home Sales	\$1,567,500
Hard Costs	\$1,500,000	Subsidy/FHLBB	\$500,000
Soft Costs	\$750,000	CP	\$182,500
Total	\$2,250,000	Total	\$2,250,000

Total Development Costs/Unit = \$150,000

Total Subsidy/Unit = \$45,467 (Community Preservation Funds and Federal Home Loan Bank Board' Affordable Housing Program)

Projected Purchase Price = \$104,500 (affordable to someone earning approximately \$28,000 annually based on participation in the state's Soft Second Loan Program and other assumptions included in Section IV.)

Development Goals and Objectives Achieved: Target development projects to Town-owned properties to take advantage of parcels that will have discounted or nominal acquisition costs.

2. *131 Shawsheen Road – Affordable Rental Project for Families (To be financed by a private lender, Low Income Housing Tax Credits and the Community Preservation Fund.)*

Project Description: This large parcel is owned by the Town and is a former sand and gravel pit. While there have been discussions of the needs for cemetery expansion land and watershed protection for this site, a portion would be ideal for housing. This proposal projects 20 rental units, all of them to be affordable to families earning within 60% of median income.

Timeframe: Assuming that an affordable housing project is feasible on the site, the Housing Trust should solicit interest from qualified developers through a Request for Proposals to undertake the development project, completing the feasibility analysis, plans and budget, financing applications, and construction. The Town would transfer ownership of the site to the developer for eventual lease back or sale to the future ownership entity. This project may be of some interest to nonprofit developers, such as the Women's Institute of Housing and Economic Development or a community development corporation from a nearby town and would go towards meeting the CHDO requirement for HOME funding (15% of HOME money to be directed to a nonprofit Community Housing Development Organization). This project also holds the potential of layering additional subsidy to target some units to very low-income households.

Estimated Costs:

Uses		Sources	
Acquisition Costs	\$ 0	Permanent Loan	\$1,000,000
Hard Costs	\$2,000,000	LIHTC	\$1,875,000
Soft Costs	\$1,000,000	CP	\$125,000
Total	\$3,000,000	Total	\$3,000,000

Total Development Costs/Unit = \$150,000

Total Subsidy/Unit = \$100,000 (Community Preservation Funds and Low Income Housing Tax Credits)

Development Goals and Objectives Achieved: Target development projects to Town-owned properties to take advantage of parcels that will have discounted or nominal acquisition costs.

3. *Property 5 – First-time Homeownership (To be financed through a private construction loan and permanent mortgages, subsidized by the Community Preservation Fund and the Federal Home Loan Bank Board's Affordable Housing Program)*

Project Description: This more than 130,000 square foot parcel backs directly onto Elm Brook and does include considerable wetlands as well as an existing house. It is estimated that the site could accommodate up to 13 housing units depending upon the actual amount of wetland. This proposal involves housing for first-time homebuyers with 100% of the units affordable to households earning within 80% of area median income and all countable as part of the town's affordable housing inventory.

Timeframe: The Housing Trust needs to support the current owners who have expressed an interest in developing affordable housing. If the owners decide to develop the property themselves, the Housing Trust should purchase the property and solicit interest from qualified developers through a Request for Proposals to undertake the development project, completing the feasibility analysis, plans and budget, financing applications, and construction. In such as case the Town would transfer ownership of the subdivided site to the individual homeowners.

Estimated Costs:

Uses		Sources	
Acquisition Costs	\$500,000	Home Sales	\$1,358,500
Hard Costs	\$1,950,000	Subsidy/FHLBB	\$750,000
Soft Costs	\$650,000	CP	\$991,500
Total	\$3,100,000	Total	\$3,100,000

Total Development Costs/Unit = \$238,452

Total Subsidy/Unit = \$133,962 (Community Preservation Funds and other subsidies including the Federal Home Loan Bank Board's Affordable Housing Program)

Purchase Prices = \$104,500 (affordable to someone earning approximately \$28,000 annually based on participation in the state's Soft Second Loan Program and other assumptions included in Section IV.)

Development Goals and Objectives Achieved: Look for opportunities to obtain land or other resources for free or at below market values or from owners who are sympathetic to affordable housing issues.

4. *Depot Park – Mixed-use Residential/Commercial Village with Mixed-income Housing (To be financed with a wide range of private and public resources related to housing, commercial development, economic development, and transportation and infrastructure resources)*

Project Description: Redevelopment along the town's commercial arteries and in commercial districts to include significant new housing production bears closer scrutiny. For example, a significant opportunity for Bedford is the development of Depot Park as a mixed-use revitalization area, combining new commercial enterprises as well as new residential opportunities to accommodate a wide range of incomes and lifestyles – from seniors who desire to live close to services; to young professionals interested in feeling more a part of a diverse village life in close proximity to amenities such as specialty stores, restaurants, perhaps a cinema or small theater, and bike paths; and to artists or other business owners who want live-work spaces that can combine work space with living quarters. This development can also grow into a significant destination place for cyclists using the town's bike paths. Such development can be accomplished through an amendment to the Zoning Bylaw that would allow residential use in this commercial district in sufficient densities to accomplish a village square vitality in support of the historic character of the area and the work that has been conducted by the Friends of Depot Park. In addition to existing Town-owned property, additional property can be acquired for the redevelopment project through private acquisition and, if necessary, eminent domain.

Timeframe: The Town should draft a zoning amendment that would allow residential housing in the commercial district in which Depot Park is located, accommodating reasonable densities. Following approval, the Housing Trust should hire a consultant to conduct a feasibility analysis of the project, looking at development and design implications. This work could be conducted during the next several years so that the Town would be in a position to attract a capable and interested developer to work with the Town in assembling the necessary property to begin development. It may be necessary to do the development in phases. A wide range of resources would be required including state funds for transportation and infrastructure improvements – all the more reason for Bedford to begin producing affordable housing within two years to maintain state Housing Certification through Executive Order 418 to be competitive for many state funding programs. The Town should look at other models for this type of revitalization effort conducted by other municipalities.

Estimated Costs: Because the scale of the project and relative mix of uses is pure conjecture at this time, it is difficult to project costs.

Development Goals and Objectives Achieved: Target development projects to those areas of town most accessible to transportation, goods and services to minimize further traffic congestion; make sure that development projects are designed to be harmonious to the surrounding community and recognize that there

is no replacement for good design; insure that development projects will complement existing historic districts; look to areas of town that could accommodate higher densities such as industrial and commercial areas or other primarily nonresidential areas; and seek opportunities to combine amenities with housing creation such as locating recreational and retail opportunities in close proximity to new housing where appropriate.

5. *Property 6 -- Mixed-income Rental Project (Existing project to be refinanced through the Massachusetts Housing Partnership Fund's OneSource Program)*

Project Description: This project involves a multi-family rental housing development, which could use upgrading and would be a natural addition to the town's affordable housing inventory. There may be some potential for refinancing the project to make necessary improvements and establish long-term affordability of the 44 units, adding the property to the town's affordable housing inventory towards meeting the state 10% standard.

Timeframe: The Housing Trust should contact the owner to determine the level of interest in selling or refinancing the project. Given a positive response, the Housing Trust should contact the Massachusetts Housing Partnership Fund to secure technical assistance funds to determine project feasibility and interest in project financing.

Estimated Costs: Acquisition and renovation costs are too difficult to project at this time.

Development Goals and Objectives Achieved: Target development projects to those areas of town most accessible to transportation, goods and services to minimize further traffic congestion and look for affordable housing opportunities that will make few changes to the built or natural environment such as the refinancing of existing housing or the creation of accessory apartments.

6. *Property 7 – Mixed-income Senior Residential Development with the possible inclusion of a mix of starter homes for young families with mixed uses including a senior center, small commercial/convenience stores and recreational space/athletic fields and open space.*

Project Description: This property consists of two parcels that include almost 3 million square feet, or more than 67 acres, of flat and primarily dry land close to Hanscom Air Base. This is a very beautiful site with fields and a wooded periphery. At today's prices, it is extremely doubtful that the Town can afford to purchase the entire parcel even with the Community Preservation Fund.

However, a partnership between the Town/Housing Trust and the current owners or a developer is perhaps the most feasible approach to development. The heirs of the original owner may be in a position to sell the property given that the long-term lease for use of the land is not being extended, thus eliminating approximately \$250,000 in annual income. The Board of Selectmen will be contacting the owners regarding their intentions for the property. The Housing Trust, Board of Selectmen, Community Preservation Committee, Conservation Commission, among others need to arrive at some agreeable development options

to ultimately discuss with the owners and contact developers who have the experience and financial capacity to implement the Town's vision for the property. This is perhaps the most valuable short-term development opportunity in Bedford, and the Town should be proactive in insuring that any development meets local needs.

Timeframe: Discussions between the Board of Selectmen and current owners should occur as soon as possible to determine the owners' interest in the property and convey the Town's great interest in realizing a mix of important uses on the site that fulfill numerous local needs – housing for seniors, recreational uses including a possible senior center and athletic fields, small retail stores, and perhaps starter homes for young families.

Estimated Costs: A project must be more defined in order to project costs.

Development Goals and Objectives Achieved: Seek opportunities to combine amenities with housing creation such as locating recreational, institutional and retail uses in close proximity to new housing where appropriate; and develop a range of development project alternatives in recognition of a range of housing needs in town including rental and homeownership options as well as housing for seniors and families.

Other potential development sites that should be explored as alternatives to the sites described above include:

7. *70 Pine Hill Road*

The Town purchased this property several years ago and placed a 15-year development restriction on it. When this restriction expires in 13 years, the Town should strongly consider conveying it for the purposes of affordable housing.

8. *Property 8*

This is a 660,000 square foot property that includes some level and dry land that would be conducive to housing development. The other part of the property was acquired by the Town and given a 15-year building restriction with approximately 13 years remaining.

9. *Redevelopment of Industrial Zones*

The redevelopment of mixed-use areas should be strongly encouraged. For example, the draft Industrial Mixed-Use zoning amendment will provide the opportunity for residential development in industrial areas to rebuild these areas into mixed retail, office and residential communities. Many of the current industrial/office buildings are aging and executives may be considering alternative locations. Also, most of these buildings are "clean" as they have been offices as opposed to manufacturing operations that create potential environmental issues. Many of the current workers in these businesses commute significant distances, and it would be advantageous for local businesses to look into how they can house their workers in closer proximity. These industrial areas are parts of Bedford where higher density housing would be less controversial and many residents would likely be supportive of redevelopment initiatives that include affordable housing.

10. *Property 9* – This more than 200,000 square foot parcel is currently owned by the Middlesex Community College and was given to the college a number of years ago by the VA Hospital for shuttle parking. At this time the lot is not being used and has great potential for affordable housing development. In fact years ago the Bedford Housing Authority had conversations with Middlesex Community College concerning the potential of building special needs housing on the site with funding from the Massachusetts Department of Mental Health (DMH). When the College was building its campus, it used a site that had been planned for development as a DMH facility, and therefore when DMH was looking to the Bedford Housing Authority to build some special needs housing in town, the issue of possible College property was explored. Representatives of the Housing Trust should contact the College to ascertain the level of interest in conveying the property to the Trust, preferably at some nominal or discounted price. This would be an ideal site for senior housing or an assisted living project given its proximity to the VA campus.

11. *Property 10*

It is worth testing the receptivity of current owners of this condominium project regarding the possible addition of more units either as wings to the current building or as separate buildings on site. The addition of new units could be negotiated in exchange for certain financial concessions that the Town or new developer may be able to grant as an incentive for further development on this site that has a considerable amount of undeveloped land.

12. *Other Properties*

The Housing Trust's Land Evaluation Committee identified a number of potential sites that may have some long-term potential for affordable housing development. The Trust should at some point within the next few years contact the owners of these properties and express its interest in exploring possible future development of affordable housing. The Trust should then keep in contact with these owners and monitor their interest periodically.

ATTACHMENT 1
Contact List

ATTACHMENT 2
Proposed Affordable Housing Sites for Consideration in the 1986 Housing Plan

ATTACHMENT 3
Summary of Buildout Analysis – Developable Lands and Partial Constraints

ATTACHMENT 4
Draft Industrial Mixed-Use Zoning Amendment

ATTACHMENT 5
Bedford Housing Organization

ATTACHMENT 6
Conservation Commission Areas and Areas of Interest

ATTACHMENT 7
Bedford Zoning Bylaw – Dimension and Use Regulations

ATTACHMENT 8
Summary of Proposed Affordable Housing for the Community Preservation
Program

ATTACHMENT 9
Maximum Affordable Sales Prices and Mortgages
Community Preservation Program

ATTACHMENT 10
Description of Financing Programs Available for
Affordable Housing

ATTACHMENT 11
Maps of Priority Affordable Housing Sites

ATTACHMENT 12
Illustrative Development Costs – Homeownership
XYZ Affordable Housing Development

ATTACHMENT 13
Illustrative Development Costs – Rental
ABC Affordable Housing Development